

Are you eligible for the Marriage Allowance?

The Marriage Allowance was first introduced in April 2015. After an initially slow uptake, HMRC has announced that nearly 1.8 million eligible couples are now using it to save up to £252 a year in Income Tax.

Marriage Allowance enables married couples, or those in civil partnerships, to share their Personal Tax Allowances if one partner earns below £12,570 a year, and the other is a basic rate taxpayer (earns between £12,571 and £50,270 before they receive Marriage Allowance).

Couples can transfer 10% of their tax-free allowance to their partner (£1,260 for 2021 – 2022 tax year), which can significantly reduce the amount of annual tax they pay. They can also backdate their claims for the past four tax years, potentially receiving up to £1,220.

However, it is not – at present – applicable to those who simply live together, even if they have children.

Angela MacDonald, HMRC's Deputy Chief Executive and Second Permanent Secretary said: "Marriage Allowance lets eligible couples share their Personal Allowances and reduce their tax by up to £252 a year. Nearly 1.8 million couples are already using the service – it is free, quick and easy to apply."

If a couple have experienced a change in their circumstances, it may mean they are

now eligible for Marriage Allowance. This includes:

- A recent marriage or civil partnership
- One partner has retired and the other remains working
- A change in employment due to COVID-19
- A reduction in working hours which means their earnings fall below their Personal Allowance
- Unpaid leave or a career break
- One partner is studying or in education and not earning above their Personal Allowance
- If a spouse or civil partner has died since 5 April 2017, their partner can still claim by contacting the Income Tax helpline.



According to HMRC it takes less than five minutes to apply online. To do this, the non-taxpayer needs to apply by visiting www.gov.uk/marriage-allowance. The only documentation needed is the National Insurance numbers for both partners and ID for the non-taxpayer. The application will cover the current tax year, future tax years and backdated for the past four tax years. While Marriage Allowance claims are usually automatically then renewed each year, couples should notify HMRC if their circumstances change.

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