

Consider partner for tax purposes

It is well worth considering both yours and your partner's tax allowances to help reduce your joint tax burden for the current tax year.

Every individual is entitled to their own personal allowance, which is £12,570 for the 2022/23 tax year. A key element in tax planning is to make the best use of this personal allowance. If your spouse or civil partner has little or no income, you might want to consider the current ownership of income-producing assets, such as savings accounts with high interest, property or dividend paying stocks. This may involve redistributing the assets to minimise tax liability – but be mindful of the settlements legislation governing 'income shifting'. Any transfer must be an outright gift, with 'no strings attached'.

Certain couples may also be eligible to transfer 10% of their personal allowance to their spouse. The Marriage Allowance is available to married couples and civil partners where one spouse has income below the personal allowance and neither spouse pays tax at the higher or additional rate. It means £1,260 can be transferred in 2022/23, reducing a couple's tax liability by up to £252 in the current year.

It is also possible to reduce your taxable income through various means (for example, increasing contributions into a pension scheme or making charitable donations via Gift Aid). This may be beneficial if you or your spouse or partner are receiving Child Benefit and either of

your incomes are expected to be between £50,000 and £60,000. Reducing income to below this level may help to eliminate the High Income Child Benefit Tax Charge, which applies at a rate of 1% of the full Child Benefit award for each £100 of income between £50,000 and £60,000. You might also want to consider adopting a similar option if your income is just above £100,000, as the personal allowance is reduced by £1 for every £2 of income over this figure.



When considering any tax planning options, we would highly recommend that you to speak to your accountant or tax specialist who can advise on your specific circumstances.

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