



Don't miss out!

If you are married and your income is low enough to mean you don't pay tax whilst your spouse is a tax payer, then Marriage Allowance allows you to transfer a fixed amount of 10% of your tax allowance to your spouse, which reduces their tax bill.

You can apply for Marriage Allowance to be backdated to earlier years but after 5th April 2020 it will be too late to claim a refund for the 2015/16 tax year, which was the first year marriage allowance was introduced. Act quickly, or you could lose out on a possible £212 refund!

The possible refunds currently available are:

2015/16 tax year - up to £212, 2016/17 tax year - up to £220, 2017/18 tax year - up to £230, 2018/19 tax year - up to £238.

So the backdating of Marriage Allowance for all these years could generate an immediate tax refund of up to £900!

Some key points to bear in mind –

- Civil Partnerships are also eligible.
- You can't make a Marriage Allowance transfer to a higher rate taxpayer.
- Even if one of the couple has died it is still possible to claim for years when they were alive and the criteria were met.
- If at least one of the couple was born before 6 April 1935 then Married Couples Allowance (MCA) is available. However a couple can't have both MCA and Marriage Allowance, and as MCA is more advantageous,) MCA is the one to have if the couple are eligible for it.

How it works:

The non-taxpaying spouse/civil partner transfers a fixed amount of 10% of their personal allowance to their spouse/civil partner. This will reduce the amount of tax due by the spouse/civil partner who receives the transferred allowance.

For example: This tax year, Maria will earn £5,200 from her part time job. She has no other income so has £7,300 left of her £12,500 tax free personal allowance. This spare allowance is going to waste, but transferring the Marriage Allowance gives £1,250 of her allowance to her husband Richard. As long as his income isn't taxable at the higher rate, i.e. over £50,000 (£43,430 if living in Scotland), this transfer could save Richard up to £250 in tax for this tax year. If their circumstances were the same or similar over the last four years, then the claim can be backdated to 2015/16.



How to claim:

There are a number of ways that you can claim; online by either completing the online application at www.gov.uk/apply-marriage-allowance or from within your personal tax account. Alternatively by calling HMRC on their helpline number, 0300 200 3300, or writing to them at HMRC, PAYE and Self-Assessment, BX9 1AS.

Contact needs to be from the person with the spare personal allowance as they are the one who will be making the transfer.

What if I haven't got as much as 10% of my personal allowance spare?

You can still make a transfer of Marriage Allowance to your spouse/civil partner as the total tax paid by the couple will be reduced.

What if my spouse/civil partner has passed away and I haven't made a claim?

A claim can still be made after one of the couple has passed away. You are able to backdate this to 2015/16 and any other subsequent years, where applicable.

For example: Mrs Roberts passed away in May 2018. For the years 2015/16, 2016/17 and 2017/18 Mrs Roberts was a taxpayer but Mr Roberts was a non-tax payer and if he had known, would have made a transfer to his wife to reduce her liability. For 2018/2019 due to the date she passed away and the income she received, Mrs Roberts was a non-taxpayer. However, Mr Roberts became a taxpayer for the first time in years.

In this case Mr Roberts can make a post-death claim to transfer 10% of his allowance for 2015/16, 2016/17 & 2017/18 to his wife, creating refunds for these years, and also claim 10% of Mrs Roberts' allowance for 2018/2019 reducing his tax bill for that year.

This article is by Tax Help for Older People registered charity no 1102276 (Scotland no SC045819), offering free tax advice to older people on incomes below £20,000 a year. The Helpline number is 01308 488066.