

# MARRIAGE ALLOWANCE

## Maximising your household income

### Are you making the most of your tax allowance?

The marriage allowance is a Government scheme that helps married couples and civil partners maximise their household income when one partner earns below the personal tax threshold of £12,570.

Many eligible couples don't claim their marriage allowance – even though it could lead to a rebate of over £1,200.

Keep reading to find out if you're eligible and how to apply.

## How does it work?

The marriage allowance is designed to provide support for couples where one partner is on a low income, and therefore does not use all their tax-free allowance.

Everyone receives a tax-free allowance of £12,570. If you earn below this threshold, you can transfer up to £1,260 of your allowance to your spouse, which means that they will pay income tax on a smaller proportion of their income.

### Example

Consider the following example of a couple who benefits from the marriage tax allowance.

Helen works full-time, earning a total of £34,600. Her spouse, Tom, earns £10,200 working part-time.

Helen pays tax at the basic rate of 20 per cent and has a taxable income of £22,030. However, Tom has £2,370 of unused tax-free allowance.

Tom can transfer up to £1,260 of his allowance to Helen, reducing her taxable income to £20,770. She will pay less tax on her income, and Tom will still pay none, reducing the overall tax that their household pays.

## Am I eligible?

You could be eligible to claim a marriage tax allowance if you meet all of the following criteria:

- You are married or in a civil partnership
- You or your partner earns less than £12,570
- The other partner earns less than the 40 per cent (higher) tax threshold – £50,270
- You were both born after 6 April 1935

If one of you was born before 6 April 1935, you may be eligible to claim Married Couple's Allowance instead. To claim this, you must:

- Be married or in a civil partnership
- Live with your spouse
- Have one spouse born after 6 April 1935

## If your circumstances change

Changes to circumstances that affect eligibility may include:

- The marriage coming to an end by divorce, annulment, legal separation or a spouse passes away
- The lowest-paid spouse receiving a pay rise that takes their income over the threshold
- The other partner receives a pay rise that puts them in the higher tax bracket at 40 per cent

The marriage allowance rolls over automatically, year on year. This means that, if your circumstances change and you are no longer eligible, you need to let HM Revenue & Customs (HMRC) know as soon as possible.

## Should I claim?

In most cases, claiming marriage allowance will make your household better off. However, you may choose not to claim if one spouse earns **just** below £12,570 and the other earns **just** above.

In this case, transferring the full £1,260 could cause the lower-paid spouse to end up paying more tax than they would have without claiming.

## How do I apply?

Applying for marriage allowance is very straightforward. Most people will be able to apply through the **online form**.

You can still claim if you or your spouse are self-employed, through your Self Assessment.

To apply, you will need:

- National Insurance numbers for you and your spouse
- Identification
- Bank details – if in receipt of benefits or a pension

The partner on the lower income must apply. If you are on the higher income, you cannot apply on their behalf.

You can also backdate your application if you were previously eligible, for up to four full financial years.

You could claim back over £1,200:

- 2023/24 – £252
- 2022/23 – £252
- 2021/22 – £251
- 2020/21 – £250

If you were previously eligible for the allowance, but are now **widowed**, you may be able to apply with a backdated claim if you were eligible for the allowance from 6 April 2015, but your partner has since passed away.

[milstedlangdon.co.uk](http://milstedlangdon.co.uk) • [advice@milstedlangdon.co.uk](mailto:advice@milstedlangdon.co.uk)

**Bath office:**  
☎ 01225 904940

**Bristol office:**  
☎ 0117 945 2500

**London office:**  
☎ 0203 150 1113

**Taunton office:**  
☎ 01823 445566

**Yeovil office:**  
☎ 01935 383500

MGI Worldwide is a network of independent accounting, legal and consulting firms. MGI Worldwide does not provide any services and its member firms are not an international partnership. Each member firm is a separate entity and none of MGI Worldwide, MGI Ltd., nor any member firm accepts responsibility for the activities, work, opinions or services of any other member firm. For more information visit [www.mgiworld.com/legal](http://www.mgiworld.com/legal)

A member of  
**mgiworldwide**

Disclaimer - for information of users: The information in this document is intended for general advice only and no action should be taken in respect of individual circumstances without receiving specific advice. Milsted Langdon is a trading name of Milsted Langdon LLP, a limited liability partnership registered in England with LLP number OC329479.