

Marriage allowance for you and your family

The budget looms and as ever we expect changes to our tax bill.

You might not be aware of this small but effective allowance which is worth considering.

If you're married or in a civil partnership make sure you're not missing out on an opportunity to save on your annual tax bill by using the Marriage Allowance available to you.

Everyone has a tax-free personal allowance of £10,600 and no tax is due on income up to this amount. The Marriage Allowance allows a spouse or civil partner who earns less than their personal allowance to transfer to £1,060 of it to their partner- as long as their partner doesn't pay more than the basic rate of income tax.

About four million married couples, including around 15,000 civil partnerships, stand to benefit from the Marriage Allowance, which was introduced in April 2015, and is first available for the 2015/16 Tax Year to 5 April 2016.

Only people with these specific circumstances will be able to apply:

- You're married or in a civil partnership
- One of you needs to be earning £10,600 or less (not including any of your £1,000 tax-free saving interest for lower rate tax payers or £500 for higher rate tax payers.).
- The other one of you needs to be a basic-rate taxpayer (couples with a higher- or additional-rate taxpayer aren't eligible for this allowance).
- Both of you must have been born after 6 April 1935.

It's a new way for couples to transfer a proportion of their personal allowance (the amount you can earn tax-free each tax year) between them. It may not sound a lot, but £212 is not to be sniffed at if you're eligible. The first year it is available is the 2015/16 Tax Year to 5 April 2016.

HMRC has simplified the process to apply and couples can apply online at [gov.uk/marriage-allowance](https://www.gov.uk/marriage-allowance) (<https://www.gov.uk/marriage-allowance>) in a matter of minutes.

If you forget to put in your application by 5 April 2016 you can apply for it retrospectively for the 2015/16 tax year. The marriage allowance only came into effect from 6 April 2015, so you can't claim for any years prior to that. However in the future you can apply for up to four years in the past (although 2015/16 will be the furthest tax year you can go back).

Some people have reported difficulties applying online. If this is you, call HMRC on 0300 200 3300 for help.