

Don't miss out!

Are you getting all of your allowances?

You may be missing out on extra tax allowances just because you have not been made aware of them. Most of you will be aware of the tax free Personal Allowance, £12,500 this year, which means that you do not pay tax on any income you receive below this amount. But are you aware that there are other allowances that can be claimed if you meet certain criteria? We would like to make you aware of three allowances that are available, but not always claimed. That's right, you have to ask HMRC to apply these allowances. If you don't, you won't get them.

Marriage Allowance (MA)

This allowance started in the 2015/16 tax year. It allows a couple who are married, or in a civil partnership to transfer a specific amount of their unused tax free allowance to their spouse or civil partner. The amount that can be transferred is 10% of the annual tax free Personal Allowance, meaning that £1,250 can be transferred this tax year. This can save up to £250 in tax and, where applicable, can be back dated to 2015/16. It is important to remember that this transfer must be claimed by the spouse/partner who is giving up the allowance. The easiest way to claim is online at www.gov.uk/marriage-allowance, by telephone on 0300 200 3300, or by post to HM Revenue and Customs. BX9 1AS.

Married Couples Allowance (MCA)

This allowance benefits couples who are married or in a civil partnership, where at least one of the married couple was born before 6th April 1935. You generally need to be living together, but if you and your spouse or civil partner are separated through circumstance rather than through a decision to formally separate, you should still be able to claim Married Couple's Allowance. This year, MCA is £8915 which is given at 10%. It reduces the amount of tax you pay and can save you up to £891.50. This is equivalent to an extra £4458 of tax free income. For marriages before 5th December 2005, HMRC will usually allocate this allowance to the husband and for more recent marriages, HMRC will allocate it to the highest earner. If it would be more beneficial, you can apply to HMRC for some or all of the allowance to be transferred to your spouse or partner using form 575. You can also ask HMRC at the end of each tax year to transfer any surplus MCA if there is some available. Contact HMRC online at www.gov.uk/married-couples-allowance, by telephone on 0300 200 3300 or by post to HM Revenue and Customs. BX9 1AS.

Please note, a married couple who are old enough for the Married Couple's Allowance cannot use the Marriage Allowance transfer as well.

Blind Person's Allowance (BPA)

This allowance is available when a tax payer is registered as Severely Sight Impaired (SSI) or blind. You do not have to be completely blind. Your Ophthalmologist can tell you if you are SSI, and, if so, will issue you with form CV1. You should then register this with your local authority and they will issue you with a registration number. You can then contact HMRC to claim the allowance, which is £2,450 for this tax year. This can save you up to £490 in tax. If you can't use the allowance because your income is too low, you can transfer it to your spouse or civil partner, using form 575.



In Scotland and Northern Ireland the process is slightly different. You need to be issued with a BP1 certificate in Scotland and an A655 in Northern Ireland. To claim this allowance contact HMRC, online at www.gov.uk/blind-persons-allowance, by telephone on 0300 200 3300 or by post to HM Revenue and Customs. BX9 1AS.

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.