

This factsheet provides basic information on personal allowances. It aims to help low income people who would like to come to the UK, or who have already arrived, to understand more about the UK tax system.

You should also read the factsheets about **Leaving the UK, Residence and Income other than earnings**. These can be found at www.litrg.org.uk/tax-guides/migrants-and-tax/guides-and-factsheets.

What is a personal allowance?

Your personal allowance is the amount of income you can have in a tax year before paying tax. You normally pay income tax on any income over your personal allowance.

The tax year in the UK runs from 6 April to 5 April.

For example, the tax year 2018/19 runs from 6 April 2018 until 5 April 2019.



Who is entitled to the personal allowance?

If you are tax resident in the UK then you will usually be entitled to a personal allowance. See the **Residence** factsheet for more information at www.litrg.org.uk/tax-guides/migrants-and-tax/guides-and-factsheets.

It is possible to be a UK tax resident but not be entitled to the personal allowance. This will be the case if you are:

- Resident in the UK but domiciled in a non-UK country

And

- You are also claiming the remittance basis for your unremitted foreign income and gains which are more than £2,000 per tax year.

The rules for the remittance basis are complex; see our **Foreign income and gains** factsheet at www.litrg.org.uk/tax-guides/migrants-and-tax/guides-and-factsheets.

Even if you are not UK resident, you may be entitled to a personal allowance if you are one of the following:

- A citizen of a European Economic Area (EEA) country;
- Current or former employee of the British Crown (that is armed forces, civil servant);
- Resident in the Isle of Man or Channel Islands;
- The surviving spouse or civil partner of an employee of the British Crown;
- Resident of a country with which the UK has a double taxation agreement which allows the UK personal allowance.

You can find a list of EEA countries at www.litrg.org.uk/tax-guides/migrants-and-tax/eu-and-eea-countries. You can find a list of countries that allow personal allowances under their double taxation agreement with the UK on the **GOV.UK website** at www.gov.uk/government/publications/double-taxation-treaties-territory-residents-with-uk-income.

There is more information in the guidance to form R43 on the **GOV.UK website** at www.gov.uk/government/publications/income-tax-claim-to-personal-allowances-and-tax-repayment-by-an-individual-not-resident-in-the-uk-r43.

What amount of personal allowance are you entitled to?

If you are entitled to the personal allowance then you should be entitled to the full amount even if you only become UK resident part way through a tax year.

The personal allowance usually changes each tax year, with the amount being decided by the UK government. The personal allowance can only be used by each individual in the current tax year. If it is not fully used then the unused allowance cannot be carried forward to be used during a new tax year.

The personal allowance cannot normally be transferred between individuals, for example, it is not possible for a child to give their unused personal allowance to their father to increase the father's personal allowance. However, see the section below on marriage allowance.

If your income is more than £100,000, your personal allowance is reduced. You can find out more about this and the personal allowance in general on **GOV.UK**: www.gov.uk/income-tax-rates

Personal allowance

For the 2018/19 tax year each individual has a personal allowance of £11,850. This means that they can have income of up to £11,850 before any tax is due.



Example – 2018/2019 tax year

If you earn £12,850 a year from your job, the first £11,850 of your wages will be tax free and only the amount above the personal allowance, that is £1,000, (£12,850 less £11,850) will be subject to income tax.

Marriage allowance

If you are eligible, the marriage allowance lets you transfer some of your unused personal allowance to your spouse or civil partner to help them pay less tax. In 2018/19 you can transfer £1,190 of your personal allowance to your spouse or civil partner.

You can transfer the marriage allowance if you meet all of the following conditions:

- You must be married or in a civil partnership.
- You must have an annual income that means you do not pay income tax at a rate higher than the basic rate or the Scottish intermediate rate if you are a Scottish taxpayer.
- Your spouse or civil partner must have an annual income that means they are a basic rate taxpayer. This means their income must be above their personal allowance, but below the basic rate threshold (this will mean income below £46,350 in 2018/19 for most people). Note that if you live in Scotland, different income tax thresholds apply to some of your income.
- Both you and your partner were born on or after 6 April 1935.

There is more information on the marriage allowance on the **GOV.UK website**: www.gov.uk/marriage-allowance

This factsheet is intended to provide general information only and does not constitute advice. Before taking any action, you should get appropriate immigration, benefit or tax advice from a professional adviser, which is based on your particular circumstances. We have done our best to ensure that the information in this factsheet is up to date as of April 2018. You can read our full disclaimer on our website: www.litr.org.uk/legal.

Blind Person's Allowance

Blind Person's Allowance is an extra amount of tax free allowance – in 2018/19 it is £2,390. If you live in England and Wales then you need to be registered blind with a Local Authority. If you live in Scotland or Northern Ireland then you can claim Blind Person's Allowance if you cannot do work that requires eyesight.

It is different to the personal allowance, because if the registered person does not have enough income to use it, it can be transferred to their husband, wife or civil partner and used by them as an additional allowance, whatever the level of their income.

There is more information on the blind person's allowance at www.litrg.org.uk/tax-guides/tax-basics/what-tax-allowances-am-i-entitled#toc-what-is-blind-person-s-allowance-.

How do you receive your allowances?

If you are employed, you should get your allowances automatically through your tax code. There is information on how to check your tax code on the **LITRG website**: www.litrg.org.uk/tax-guides/employed/how-do-i-check-my-coding-notice.htm.

If you are self-employed then you get your allowances by completing a tax return.

See our **Employment/Self-employment factsheet** for more information: at www.litrg.org.uk/tax-guides/migrants-and-tax/guides-and-factsheets.



More information

You can find out more detail about some of the topics in this factsheet on our website:

www.litrg.org.uk/tax-guides/tax-basics/what-tax-allowances-am-i-entitled

Getting help with your tax

You can find out where to get help with your tax situation in the '**getting help**' section of our website at www.litrg.org.uk/getting-help.

This factsheet is intended to provide general information only and does not constitute advice. Before taking any action, you should get appropriate immigration, benefit or tax advice from a professional adviser, which is based on your particular circumstances. We have done our best to ensure that the information in this factsheet is up to date as of April 2018. You can read our full disclaimer on our website: www.litrg.org.uk/legal.