



Separate assessments for married couples / Civil Partnership

I am married /in a civil partnership but do not want to be assessed jointly with my Partner, is this possible?

Yes, a married couple / civil partnership can elect to be separately assessed. Spouse 2 will be allocated a new tax reference number, which is linked with Spouse 1's reference, but each individual will be responsible for completing their own income tax returns, receive their own assessments, statements, etc. in their own name.

As each individual's income tax affairs will be kept separate, you will not be able to discuss your Partners income tax affairs with this office, unless a **form of authority (form 1012b)** is in place available at www.gov.gg/tax under "other tax forms."

Will being separately assessed affect the total amount of income tax that we have to pay?

Generally no. A couple will in total pay the same amount of income tax whether they are jointly or separately assessed. If you elect to be separately assessed you will each be entitled to a Single Persons Allowance throughout the year. When a final assessment is issued, should one of you not utilise your allowance in full, then the unused allowance will be automatically transferred to the other person. For this reason **both** income tax returns are required before an assessment can be finalised.

However, should a separately assessed couple be subject to the tax cap (currently £220,000) or the standard charge (currently £27,500) then **each** individual would be capped or pay the standard charge, as appropriate, as opposed to one cap or standard charge for a jointly assessed couple. This is because section 47 of the Income Tax (Guernsey) Law, 1975, as amended ("*the Law*"), states where a separate assessment application is in force the couple shall be assessed and taxed "*as if they were not married*" except that any allowance due should not exceed that of a jointly assessed couple. The tax cap or standard charge therefore applies to **each** individual.

How do I elect to be separately assessed and is there a deadline?

An election to be separately assessed must be made **in writing**, and can be done by either spouse.

Section 46 of the Law sets out the requirements for a separate assessment application and section 46(1)(c) details the statutory timeframe for an application (see below). The Director is unable to accept any applications made outside of the statutory timeframe the Law imposes.

If you are married and wish to be separately assessed, a written request must be submitted prior to 31 March in the year for which you want separate assessment to start, i.e. to be separately assessed for the Year of Charge 2015 a written request must be received by 31 March 2015. If the request is

not received until, for example, 1 June 2015 then you cannot be separately assessed for 2015 but the Director will accept the request as being valid with effect from the Year of Charge 2016.

If I am separately assessed, how should I declare interest earned on joint accounts?

You should only declare your own income on your income tax return. If you are separately assessed and hold a joint bank account with your spouse, you should declare your share of the interest only; likewise, if you hold a joint mortgage you should each claim only your share of the interest paid.

What do I do if I am separately assessed but no longer want to be?

The same person who made the original request for separate assessments must write to the Director to withdraw the original application.

Section 46(2)(c) of the Law stipulates that the withdrawal request must be made by 31 March in the year of charge to which the withdrawal is to have effect.

As the time limit is set out in the Law, the Director is unable to accept any withdrawal request after the statutory timeframe the Law imposes, i.e. if a letter of withdrawal is received after 31 March 2015 you cannot be assessed jointly for 2015 but the Director will accept the withdrawal of separate assessments with effect from the Year of Charge 2016 and issue joint assessments from that year of charge.

Withdrawal of personal allowances for high earners

Your personal allowance will be withdrawn gradually at a rate of £1 for every £3 that your income exceeds the upper earnings limit on social security contributions, which will be £138,684 in 2017. This limit will be pro-rated in the year of arrival or permanent departure. The table below shows the effect of this proposal on a single individual under the age of 64:

Income	Personal Allowance withdrawn	Personal Allowance received
£138,684	£ nil	£10,000
£140,000	£ 438	£ 9,562
£150,000	£ 3,772	£ 6,228
£160,000	£ 7,105	£ 2,895
£168,684	£10,000	£ nil

For more information please read our FAQ's: www.gov.gg/taxationfaq