

Marriage tax break fails women (and 69% of married couples)

[New analysis](#)¹ from the [Women's Budget Group](#) on the impact of the proposed Transferable Tax Allowance (or 'Marriage Tax Allowance') has found:

- **Men will make up 85 per cent** of those whose incomes rise with the TTA. This is because within couples, men are generally the higher earner. The result of this is that the income gap between men and women in married couples will widen.
- **Fewer than 31 per cent of married couples** will benefit as the restrictions exclude couples where both partners earn above or below the income threshold (the poorest families), where one partner earns above the higher rate tax threshold and couples who are not married even if they have children.
- Only **18 per cent of families with children will benefit** from the proposal. This is in part because the allowance will not reach the poorest families - those where neither partner earns above the personal tax allowance threshold.
- The policy will **does not encourage 'dual earning' couples**, as one partner not working / earning less makes more financial sense.

Transferable Tax Allowances - "morally suspect"

The Chancellor announced the TTA as part of the Autumn Financial Statement on Thursday 5 December 2013 under the banner of 'recognising marriage' in the income tax system. The TTA will allow couples who are married or in civil partnerships to transfer up to £1,000 of their annual personal allowance of tax-free income between themselves, as long as neither pays income tax at more than the basic rate.

Sue Himmelweit of the Women's Budget Group said:

"It's both morally suspect and almost certainly counterproductive to bribe people into marriage. Instead the £700 million would be better spent on other social priorities for example childcare support, extra money for children and those needing social care."

"Support for those with caring responsibilities should go to them directly, not their spouses.

"Although this measure is supposed to benefit families, only 18 per cent of families with children will benefit.

"This measure also does little to encourage women into employment: despite the government's commitment helping women in the labour market 85 per cent of those who will gain from it will be men"

The WBG also warns against assuming high earning partners will share their gains equally. Financial power dynamics between couples are complex and often unequal which means there is no guarantee women will benefit from their partner's increased tax allowance.

Further WBG concerns about the forthcoming Transferable Tax Allowance are:

- This policy represents a u-turn for the Conservative party who rejected this policy in the 1980s
- Using the tax system to subsidise marriage goes against the common convention between all parties of independent taxation
- It runs contrary to the government's desire to 'make work pay' and is especially concerning when many low to middle earning mothers are finding employment unaffordable with spiralling childcare costs

¹ Figures kindly provided to the Women's Budget Group by the Institute of Fiscal Studies

The full analysis is available online – [‘Recognising marriage in the tax system will not benefit women’](#)

ENDS.

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Notes:

The Women’s Budget Group is a network of over 200 academics and activists. For more information, please visit www.wbg.org.uk or contact Amy Watson (admin@wbg.org.uk), WBG Coordinator.