



HM Revenue
& Customs

Taxes and benefits

Information for our lesbian, gay,
bisexual and transgender customers.



Acknowledgements

“Stonewall is pleased at the publication of HM Revenue & Customs’ guide to taxes and benefits for LGBT people. Every week we receive calls to our Information Line from people in same sex relationships who are unsure of how their Civil Partnership might affect things like inheritance tax and benefits. So we are happy to now be able to refer them to this guide. Stonewall has worked tirelessly for the equal rights of lesbian, gay and bisexual people and we recognise that gaining rights under the law is just the first step in changing society. This guide will help enable people in same sex relationships to fully access the rights that they have fought so hard to achieve”.

Ben Summerskill
Chief Executive, Stonewall



“The Gender Trust welcomes innovative government practice that complies with its gender duty. This is a really useful publication that should ensure that trans people do not feel excluded from the helpful advice and information HMRC are able to give. In relation to tax and national insurance contributions trans people often of necessity need to reveal their trans status to HMRC. It is very important in these situations that trans people can be open about their trans status and not encounter discrimination. This timely booklet goes a long way in establishing the trust and confidence from the trans community that all government departments require”.

Ben Thom
Vice Chair, Gender Trust



Our thanks to the Department for Work and Pensions for their co-operation in developing this booklet.

Foreword

I'm immensely proud to introduce this, our first ever publication for our lesbian, gay, bisexual (LGB) and transgender customers.

Within HM Revenue & Customs we are working hard to create a more accepting and welcoming environment for LGB and transgender people, as part of our commitment to diversity generally. We have very positive associations with Stonewall and the Gender Trust and we will continue to keep sexual orientation and gender identity issues at the heart of our diversity agenda.

During the last two years we consulted with LGB and transgender people at various Pride events. We want to understand not only what is expected by our customers, but also what useful information we can provide. This booklet is the result.

Part of the HM Revenue & Customs vision is to provide a continuously improving customer service. This includes understanding the individual needs of our very different customers. We are aware, for example, that the needs of transgender customers could be handled better and we're looking at how we might achieve this. We also want to provide our customers with the information they need to get things right.

I hope you will find this booklet both interesting and relevant; and that you will make use of it when dealing with HM Revenue & Customs in future.



Mike Eland
HMRC Director General and
LGB&Transgender Diversity Champion





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Income Tax

Did you know...

- From 5 December 2005 when the Civil Partnership Act came into force, same sex couples in civil partnerships have the same legal status as married couples for tax purposes.
- The civil partner with the highest income can claim Married Couple's Allowance where one of the couple was born before 6 April 1935, and they are living together.
- A civil partner who is entitled to Blind Person's Allowance but does not use all of the allowance, may transfer any unused amount to their partner (and that could mean all of it), as long as they are living together.
- Being transgender does not affect your Income Tax liability in any way, although your tax situation may change if your relationship ends because you have changed gender.

For more information on Married Couple's Allowance and Blind Persons Allowance, go to www.hmrc.gov.uk and select **Income Tax**

or you can use the online HMRC office locator or your local phone book to find the relevant phone number

or call the HMRC Blind Person's Allowance Priority Line on **0845 366 7887**.

National Insurance Contributions

Did you know...

- You stop paying National Insurance Contributions when you reach State Pension age.
- The State Pension age for women is currently 60. This age will rise gradually from 60 to 65 from 6 April 2010 to 2020, making it equal to that of men. For further information on pensions see page 11.
- The State Pension age for men is currently 65.
- People who change gender and who obtain a full Gender Recognition Certificate will pay National Insurance Contributions on the basis of their acquired gender.
- The State Pension age for anybody born after 5 April 1955 will be 65, so a change of gender will have no effect on when an individual's contribution liability ends.

For more information, go to www.hmrc.gov.uk and select **National Insurance Contributions**

or you can phone us on **0845 302 1479**.

Inheritance Tax

Did you know...

- If a partner of a same sex couple in a civil partnership dies, anything they leave to their surviving partner would be free of Inheritance Tax.
- If a partner of a same sex couple who is not in a civil partnership dies, their estate will be subject to Inheritance Tax if its value is more than £325,000 as at 6 April 2009.
- If a spouse or partner in a civil partnership dies, and does not use the Inheritance Tax 'tax-free' amount, currently £325,000, then this can be transferred to the surviving spouse or partner. On the death of the latter, his/her estate can therefore be free of Inheritance Tax up to the amount of £650,000.
- Married couples who annul their marriage and immediately enter into a civil partnership, or couples who dissolve their civil partnership, and immediately enter into marriage, so that one of the partners can obtain gender recognition, will not be adversely affected by Inheritance Tax. If, however, you have any concerns about these aspects please contact the Inheritance Tax Helpline shown below.

For further information, go to www.hmrc.gov.uk and select **Inheritance Tax**

or call our Inheritance Tax Helpline on **0845 30 20 900**.



Capital Gains Tax

Did you know...

- If you are in a civil partnership, providing you are living together, you don't have to pay Capital Gains Tax on the transfer of assets to your partner.
- You and your civil partner may be entitled to tax relief (called Private Residence Relief) on any gain you make when you sell or otherwise dispose of your only or main residence. However, relief may be claimed on only one residence at any time while you're living together. Within two years of the civil partnership, you'll need to jointly nominate which property is to be treated as your only or main residence. Any other property may then be subject to some measure of Capital Gains Tax, though there are other reliefs that may be available to reduce the taxable gain.
- Being transgender will not, in itself, make any difference to your capital gains position.

For more information, go to www.hmrc.gov.uk and under quick links select **Capital Gains Tax**

In particular detailed information can be found online in our Capital Gains Tax help sheet '**HS281 Husband and wife, civil partners, divorce, dissolution and separation**' found at <http://www.hmrc.gov.uk/helpsheets/hs281.pdf>

State Pensions

Did you know...

- If you have not paid, or been credited with, enough National Insurance Contributions to get a full basic State Pension in your own right you may be able to improve what you can get by using your civil partner's National Insurance record. If your civil partner is due to reach State Pension age on or after 6 April 2010 you can claim a State Pension based on their National Insurance record as long as you are both over State Pension age. You can do this even if they have not yet claimed their State Pension. Depending on the amount of contributions your civil partner has made, you could get a basic State Pension of up to 60% of the full basic State Pension.
- If your civil partner dies, you may be able to inherit part of their State Pension.
- The Pension Service can provide you with a forecast of your State Pension – to get one contact them on **0845 300 0168** or request one online at: **www.thepensionsservice.gov.uk/forecast**
- If you have a Gender Recognition Certificate, you will receive your State Pension at the age appropriate to your acquired gender.
- By 2020, State Pension age for men and women will be 65.

For more information about pensions,
go to **www.thepensionsservice.gov.uk**

or you can phone them on **0845 7 31 32 33** and ask
for a leaflet about **State Pensions**

or phone them on the Pensions Helpline **0845 60 60 265**.



Tax Credits

Did you know...

- If you're 25 or over, on a low income and work at least 30 hours a week, or, if you are disabled, aged 16 or over and work at least 16 hours a week, you may be able to receive Working Tax Credits. For customers responsible for a child, you may be entitled to Working Tax Credits if you are 16 or over, and you, and/or your partner, work at least 16 hours a week.
- Child Tax Credit is paid to you if you are responsible for at least one child, whether you work or not. If you have a child with a disability, or you have a baby under one year old, you may be entitled to more credit. If your child is between 16 and 20 and still in full time education, below university level, or on an approved training course, you will still get Child Tax Credit.
- If you are a single person claiming tax credits and you form a civil partnership or begin to live with a same sex partner, you must tell us about the change of circumstances. You will need to make a joint claim taking into account both partners' incomes.
- Gender reassignment will not affect your tax credits and you will be dealt with in your acquired gender irrespective of gender recognition.

For more information, go to www.hmrc.gov.uk and select **Tax Credits** or you can phone us on our Tax Credits Helpline on **0845 300 3900**.

How we handle your records

Information on your sexual orientation and any change of gender is sensitive information under the Data Protection Act. We therefore take special care of such data. Sexual orientation will rarely be a factor except when making claims as a same sex couple.

Our records show the gender of every person for both tax and National Insurance, so people who change their gender need to know:

- You can notify a change of name and title for tax purposes over the phone.
- You can't change your gender on either our tax or National Insurance records when you first change your name or title. We will only change the gender records once you have received a Gender Recognition Certificate from the Gender Recognition Panel. You can ask the panel to notify us directly of your recognition.
- Irrespective of whether you have a Gender Recognition Certificate or not, we will always use your new name and title in all our communications with you and about you.

To find your local HMRC Tax Office go to www.hmrc.gov.uk and look under 'Contact us'.

For further information on gender change please go to the Gender Recognition website www.grp.gov.uk.

Our service to you

How we treat you

HMRC recognises the wide diversity of the communities we serve and we will always treat you fairly and appropriately. We will at all times respect your sexual orientation or gender identity in our dealings with you and seek to maintain your dignity and privacy. In particular, for people who have changed gender, this means that once you have advised us of your change of name and title, we will use this whenever we contact you.

If you have a complaint

If you are unhappy with the way we have treated you please let us know.

For more information please go to www.hmrc.gov.uk and under quick links select **Complaints**.



Diversity in HMRC

We're really proud of our record on diversity and equality in HMRC. We want to be fully inclusive and we have a range of diversity networks – open to all staff, covering Race, Religion or Belief, Disability, Age, Carers, Gender, Lesbian, Gay and Bisexual and, because we recognise that gender identity is different to sexual orientation, we're the only government department to give transgender people a voice with their own network.

Mike Eland, our Board Champion and our Executive Committee, make sure sexual orientation and gender identity issues remain at the heart of HMRC's diversity agenda. Our LGB and transgender networks provide advice, information and support to anyone in the organisation on LGB and transgender issues. HMRC is committed to challenging all forms of homophobia and transphobia and reducing the isolation that can be experienced by some LGB and transgender people. Working with the Board and trade unions, the networks developed a joint statement of commitment to eliminate homophobia and transphobia in the organisation which was launched at a recent workplace conference for LGB and transgender people. We contribute extensively to the Equality Impact Assessment of our policies and procedures and have helped develop a ground breaking absence management policy for people undergoing gender reassignment

To help raise awareness, our members have published their personal stories on our Intranet and in-house magazine, and a unique 'reverse mentoring' programme means very senior managers are mentored by openly gay staff.

For more information on our work, please contact
co-ordinator.lgbnetwork@hmrc.gsi.gov.uk or
co-ordinator.transgendernetwork@hmrc.gsi.gov.uk



Working with us

Our work has an impact on the lives of all adults in the UK, and we want our workforce to reflect the diversity of the communities we serve.

That's why we seek to recruit from the widest pool of talent, and why our employees come from all kinds of different backgrounds and have all kinds of experiences and skills.

Many are based in our admin and contact centres. Opportunities include Administrative Officer and Customer Service Adviser, where the starting salary is £15,720.

We also employ a wide range of specialists, such as statisticians, accountants and lawyers, and run a graduate development programme, preparing people for senior roles (where salaries can rise from £26,010 to £47,735 in just four years).

It's an impressive range of opportunities. But our culture is what really sets us apart. Diversity, work/life balance, and openness and respect are some of our key values. In 2008, we came third in the a:gender Trans Equality Index, which reflects the work we have done to become a more transgender-friendly organisation. We're also proud sponsors of the Gender Trust, and came 50th in the Stonewall list of Top 100 Employers.

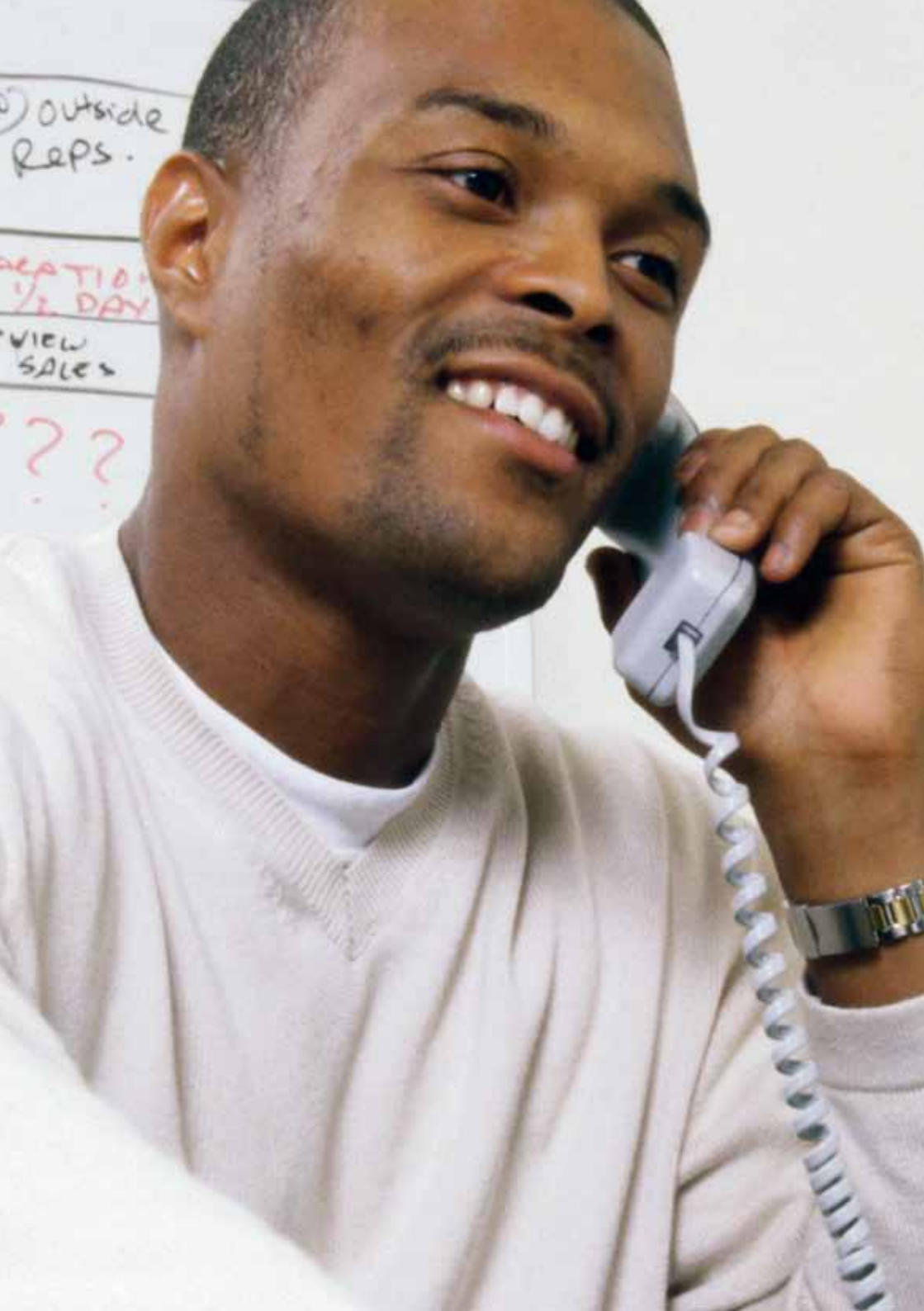
For information about our current vacancies go to www.hmrc.gov.uk and under quick links select Jobs.

OUTSIDE
REPS.

RECEPTION
1/2 DAY

VIEW
SALES

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Working together for a better workplace and a better service to our customers



Tell us what you think...

We welcome your feedback on this publication, including any ideas you may have on how we can improve our service for lesbian, gay, bisexual and transgender people. Feedback can be sent by e-mail to either co-ordinator.lgbnetwork@hmrc.gsi.gov.uk or co-ordinator.transgendernetwork@hmrc.gsi.gov.uk

The information in this booklet can be made available in large print, audio and Braille formats by emailing co-ordinator.lgbnetwork@hmrc.gsi.gov.uk

This publication has been printed on paper made from 100% recycled fibres sourced entirely from post-consumer waste. Printed on presses that have been converted to use alcohol free solutions using vegetable-based inks.

Issued by
HM Revenue & Customs
June 2009 © Crown Copyright 2009