



Claiming allowances and reliefs, and your coding notice

There are a range of allowances to which individuals resident in Guernsey may be entitled. Allowances may be claimed during the year and included in a coding notice, but a claim must also be made on the annual income tax return so that the allowance is granted in the final assessment.

If you have a coding notice which includes allowances to which you are not entitled, this could result in an underpayment of tax when you receive your final assessment. It is important that the coding notice is kept up to date and only allowances to which you are entitled are included. Please refer to the [Guide to coding notices](#) to help you.

The amounts of the allowances detailed in this guide may be viewed in the [monetary values spreadsheet](#).

Please note: If you are notified by this office that you are not required to complete an income tax return for future years, an assessment will be issued to you based on the information returned by your employer(s), including the Personal Allowance. If you wish to claim any other allowances, you must complete an income tax return.

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Personal Allowance

Every individual is entitled to the Personal Allowance and it is automatically granted by this office.

Withdrawal of personal allowances for high earners

Your personal allowance will be withdrawn gradually at a rate of £1 for every £5 that your income exceeds the limit, which is £90,000 for 2023. The limits for previous years can be found in the [monetary values spreadsheet](#). This limit will be pro-rated in the year of arrival or permanent departure.

Unused Allowances

If an individual who is not married has income which does not exceed their personal allowance, the balance of the allowance may be relinquished to their partner if the following criteria are fulfilled.

- they are cohabiting, and
- they are in receipt of Guernsey Family Allowance.

A Relinquishment of personal allowance form (**form CC2**) (available from our website at <http://www.gov.gg/tax> under "Other tax forms") must be completed and signed by both the individual receiving the allowance and the individual transferring the allowance, for each year of charge.

If you are married or in a civil partnership, you may transfer any unused allowances to your spouse. Please contact us at checkmycoding@gov.gg.

Charge of Child Allowance

A Charge of Child Allowance may be claimed by individuals who are:

- a lone parent (not cohabiting throughout the year), and
 - in receipt of Guernsey Family Allowance from 1st January or the date of the first claim in respect of that child,
- or
- a married person who maintained or employed a person for the purposes of the charge and care of a child because their spouse was totally incapacitated.

On your income tax return, please include details of children for whom you receive Guernsey Family Allowance and ensure that the relevant box in the 'Charge of Child' section is ticked. Only one Charge of Child Allowance will be granted, irrespective of the number of children.

Dependent Relative – Children over 19 and in higher education

From 1st January 2018 the Dependent Relative Allowance (in the case of a child receiving higher education) has been closed to new claimants.

Dependent Relative – old age or infirmity

No new Dependent Relative Allowance claims (regarding old age or infirmity) have been allowed since the Year of Charge 2009. However, claims continue to be allowed where they relate to an individual for whom a claim was made prior to 2009.

Infirm Persons Allowance

No new Infirm Persons Allowance claims have been allowed since the Year of Charge 2009. However, claims continue to be allowed where they relate to an individual for whom a claim was made prior to 2009.

Housekeeper Allowance

No new Housekeeper Allowance claims have been allowed since the Year of Charge 2009. However, claims continue to be allowed where they relate to an individual for whom a claim was made prior to 2009.

Personal Pensions

An allowance may be claimed in respect of contributions to Guernsey approved pension schemes. Full details of the pension must be included under the 'Personal Pensions' section of the income tax return.

There is no monetary limit on the amount that may be contributed to a personal pension scheme. However, the amount of tax relief granted is limited either to 100% of the claimant's taxable income or £35,000, whichever is the lower amount.

Are contributions paid to Retirement Annuity Contracts and Retirement Annuity Trust Schemes (RATS) eligible for tax relief?

Yes, but only in respect of Guernsey approved schemes. Please [click here](#) for further information on pensions/RATS.

What should I do if I want to claim tax relief for my Guernsey mortgage interest?

Once you have purchased your property, please download the Checklist on Buying a Property (**form 357**) (available from our website at www.gov.gg/tax under “Other tax forms”) and complete and return the form to this office. You will need to provide details of the outstanding balance and the interest paid each year when completing your income tax return. If you have previously been told you no longer need to complete an income tax return you will, in future, be required to complete one each year. If appropriate, a coding notice will be issued to reflect the change in your circumstances.

Please remember to quote your tax number on all correspondence, or have it ready if telephoning or calling in to this office.

What is the ‘interest cap’ and how will it be applied to the mortgage on my Guernsey home?

In 2013 a limit on the amount of interest allowable on a mortgage was introduced (‘interest cap’). This amount has reduced each year and will be removed in full by 2026.

If the amount of interest paid on your mortgage in respect of your Guernsey home (your Principal Private Residence) exceeds the ‘interest cap’, the amount of interest allowed as a deduction will be restricted to the level of the cap.

If a property is owned jointly by a married couple/civil partners, and each spouse is a party to the mortgage, the interest cap will apply to each individual.

What are the ‘interest cap’ restrictions and will they reduce in the future?

The ‘interest cap’ restrictions are shown in the table below and proposals to reduce the ‘interest cap’ on the amount of tax relief on interest paid in respect of a Principle Private Residence was agreed at the States Meeting on 29 October 2015 and was effective from 1 January 2016.

Year of Charge	Amount for an individual borrower	Amount for a married couple
2014	£25,000	£50,000
2015	£15,000	£30,000
2016	£13,000	£26,000
2017	£11,000	£22,000
2018	£ 9,500	£19,000
2019	£ 8,000	£16,000
2020	£ 6,500	£13,000
2021	£ 5,000	£10,000
2022	£ 3,500	£ 7,000
2023	£ 3,500	
2024	£ 2,000	
2025	£ 1,000	
2026	complete withdrawal	complete withdrawal

If I separate from my spouse, and move out of our jointly owned property, can I still claim my share of the mortgage interest?

You can claim your share of the interest paid if there is a legal separation, a magistrate's separation order, or a divorce in place and you are ordered by the court to pay the mortgage. However, without legal documentation being evidenced no interest can be allowed.

Please note: No allowance can be given for any period between the date you move out of the property and the date the legal documentation is received.

Contact details

Write to us at

Guernsey Revenue Service
PO Box 37
St Peter Port
Guernsey
GY1 3AZ

Visit us at

Corporate Customer Service Counter
Level 3
Edward T Wheadon House
Le Truchot
St Peter Port
Guernsey



Call us on +44 (0)1481 225700 (switchboard)

Email us at checkmycoding@gov.gg