



Press Release from the Family Hubs Network  
 For Immediate Release  
 Sunday 18<sup>th</sup> February 2024

## BRITAIN BOTTOM OF THE GLOBAL LEAGUE TABLE FOR FAMILY-FRIENDLY TAX

Britain is in the relegation zone of the global ‘family-friendly’ income tax league table, according to a startling new report sent to Chancellor Jeremy Hunt ahead of his March Budget.

The new study, based on official figures, finds that the single-earner, two child family is treated more harshly by the taxman in the UK than in virtually any other advanced country in the world.

In a global league table of 32 major nations, the UK is ranked 26<sup>th</sup>, sitting above only relative minnows such as Finland, Lithuania and Greece. Alongside highly populated wealthy nations such as Germany, the United States, France and Japan, the UK imposes the highest level of taxes on families with a stay-at-home parent.

Using a system of points scoring based on tax treatment of families worldwide, the Czech Republic comes out top with 193 points, followed by Poland with 161. Germany is close with 100 points and the US is well placed with 67 points. The international average is 44 points, with the relegation zone headed by the UK with 3.5 points. Bottom is Greece with minus 6 points.

### How family-friendly is our tax system?

Country:	Family-friendly Tax Points
1 Czech Republic	193
2 Poland	161
3 Slovak Republic	127.5
4 Germany	100
5 United States	67
6 Slovenia	64
7 Luxembourg	62
8 Austria	59
9 Portugal	56
10 Switzerland	55
11 Hungary	51
12 Latvia	44
13 <b>Average</b>	<b>44</b>
14 Spain	43
15 Belgium	43
16 France	41
17 Ireland	40
18 South Korea	29
19 Israel	28
20 Estonia	24
21 Iceland	21
22 Japan	18
23 Canada	17
24 Italy	10.5
25 Denmark	10
26 <b>United Kingdom</b>	<b>3.5</b>
27 The Netherlands	1
28 Finland	0
29 Norway	0
30 Lithuania	0
31 Sweden	0
32 Greece	-6

Colour Key  
 0% medium 200%

Points represent the percentage reduction in tax a single-earner family with two children pays, compared to a single person where both are on average wages in (mainly) European and North American OECD countries.

Table: Daniel Dieppe, 2024 • Source: OECD, Taxing Wages 2023 • Created with Datawrapper

The report from the Family Hubs Network (FHN) urges the Chancellor to start unwinding the country's tax raid on the family by doubling the marriage allowance in his Budget, which could boost family incomes by an extra £252 a year.

But it wants far more radical change – ditching the taxation of parents as individuals and replacing that system with a levy on the overall household income – as many other similar countries already do.

The FHN, which is backed by former Tory treasurer Lord Farmer, one of the biggest names in the City, has conducted detailed opinion polling adding political weight to its call for a total rethink of family taxation.

This finds that across the board, especially among the young and among Labour and Lib Dem supporters, nearly 20 per cent of the public say that they would be more likely to vote Conservative at the election if the Chancellor unveiled a genuine 'Budget for Families'.

The report shows that there is "clear support for a shift towards family taxation that would enable families to keep more of their hard-earned cash". Over a third of the public (35 per cent) believe cutting taxes for families should be a priority for the Chancellor. This rises to 55 per cent of parents with children aged 0-18.

Almost two thirds of those polled, regardless of age or life stage believe that 'the UK income tax system fails to take into account the extra costs parents face in bringing up children'. The report is clear that "this perception of a flawed system is borne out by our international league table." Similar numbers (60 per cent) believe that "the cost-of-living crisis has hit the living standards of families with children hardest. That number increases to 75 per cent of young people aged 18-24 with recent memories – or current first-hand awareness – of their parents' struggle to make ends meet."

The report has four major recommendations for the government. Recommendations that are clearly backed by the public.

- A doubling of the maximum value of the Marriage Allowance to £504, to soften further the disproportionately high tax burden faced by families with dependents where one parent earns nothing or significantly less than the other. Nearly half of the country (49 per cent) would support such a change.
- An adjustment to Child Benefit which addresses its anomalies (and complexities) where one parent earns at or around the withdrawal threshold.
- A fundamental review of how families are taxed which prioritises the option of giving them choice about whether they want to be assessed jointly or as individuals. Almost 70 per cent of all respondents supported the possibility of tying child benefit to family income rather than than the income of individual parents.
- Further money for family hubs for the remaining local authority areas that have not yet received central government funding to improve and join-up the help and support available for families.

Leading MPs from backbench groups urging radical policy changes on the Government are backing the report.

Commenting, Miriam Cates MP said:

*"This timely report is clear that helping families through the tax system would be a vote winner. More than that though, it is the right thing to do. The benefit of family is unmatched for society - stronger family ties lead to better educational outcomes, better job prospects and reduced levels of crime.*

*"Supporting families should be a no-brainer for the Conservative Party. In particular changes to remove unfairness in Child Benefit, increase marriage allowance and a move to household taxation should be brought forward at the earliest opportunity"*

Ranil Jayawardena MP, former Cabinet Minister and Chairman of the Conservative Growth Group, said:

*"I welcome the direction of this work and its contribution to the debate. As Conservatives, I believe we should reward people who are trying to do the right thing. That's why it's time to reform the tax system to make it family friendly and remove quirks in the system too.*

*"Married couples and civil partners should have fully transferable income tax allowances so they can make the decisions that are right for them. This would be of huge help to parents with young children, which is often the most challenging time in a family's finances."*

ENDS

### **Worked Examples of the effect of Family-friendly Tax Points**

In the Czech Republic an individual on average wages (472,783 Kč) pays 8.5% (net) income tax whereas a married couple with two children on the same wage actual **receives** 7.9% from the Government through tax credits and allowances (in effect they pay -7.9% tax). Hence, the family's tax bill is reduced by 193% (so the Czech Republic is on 193 points).

In Germany the individual on average wages (€55,041) pays 17.65% income tax whereas a married couple with two children on the same wage pays only 0.04% tax due to joint taxation, credits and allowances. So, the family's tax bill is reduced by almost 100% (Germany is on 100 points).

In the United States, the individual on average wages (\$64,899) pays 17.2% income tax whereas a married couple with two children on the same wage pays only 5.7% tax due to joint taxation, credits and allowances. So, the family's tax bill is reduced by almost 66% or two thirds (the US is on 66 points).

In the UK, an individual on average wages (£44,300) pays 14.3% income tax whereas a married couple (with or without children) on the same wage pays 13.8% if they claim the marriage allowance. So the income tax burden for a couple family is only 3.5% less than for an individual and we are on 3.5 points.

### **Methodology Note:**

Whitestone Insight polled a nationally representative sample of 2039 GB adults online, between 19th-21<sup>st</sup> January 2024. Full data tables available at [www.whitestoneinsight.com](http://www.whitestoneinsight.com). Whitestone is a member of the British Polling Council and abides by its rules.

### **Notes to editors:**

The Family Hubs Network is the infrastructure organisation founded to ensure all families in the UK can access local support to strengthen them and prevent family breakdown. We successfully

campaigned for Family Hubs to become government policy and work with all political parties to ensure good practice is embedded in Family Hubs across the country. We also support local authorities to develop and constantly improve their Family Hub model.

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