

Your tax year-end checklist

Wellesley

It's not too late to take full advantage of the reliefs and allowances available to you before the end of this tax year on 5th April. Here's a checklist of the key opportunities to consider before the deadline.



- Make use of your ISA allowance of **£20,000**.
- Make contributions of up to **£9,000** per child into Junior ISAs to help them get a head start.
- Those wishing to maximise pension savings should consider fully utilising their annual allowance. Unused allowances can be carried forward, but only from the three previous tax years.
- High-earners could take steps to bring their taxable income down by making pension contributions or charitable donations. These can help individuals:
 - Bring their income to below the additional rate tax band, which starts at **£125,140**.
 - Regain their Personal Allowance, which starts to be withdrawn for incomes over **£100,000**.
 - Avoid losing the Child Benefit, which is gradually removed if one parent in the household earns more than **£50,000**
- Take advantage of your annual Capital Gains Tax (CGT) exemption by realising gains of £6,000 in this tax year.
- Use your IHT gifting exemption of **£3,000** for this year. You can also use last year's allowance if it was unused.
- If you're thinking of making a large pension withdrawal, it could make sense to spread the withdrawal over two or more tax years to minimise your Income Tax liability.
- If you own a business and depending on your earnings, consider taking dividend income instead of salary to avoid National Insurance contributions (NICs). The first **£1,000** of dividend income is tax-free.
- Divert your company's pre-tax profits into a personal pension to reduce your company's liability to Corporation Tax, Income Tax (including on dividends) and NICs. Contributions will need to be paid before your company's financial year-end in order for the business to qualify for the deduction in that accounting period. In many cases, that deadline will be 31st March 2024.
- Check your spouse or partner has maximised their ISA allowance to fully utilise the combined allowance of **£40,000**.