

Your 2025/26 tax year-end checklist

Wellesley

As we embark on a new tax year, now is the perfect time to review your finances and take advantage of available opportunities. Taking proactive steps gives us plenty of time to make any necessary changes and ensure your financial plans are tracking your objectives.

- Put as much money as you can into your ISAs – the allowance is still £20,000.
- Check your spouse or partner has also maximised their own ISA allowance. That could mean as much as £40,000 invested tax efficiently.
- Put up to £9,000 per child or grandchild into Junior ISAs. It's a great way to pass money to the next generation, tax efficiently. A parent or guardian will be required to set up the Junior ISA, but anyone can contribute to the savings.
- If you're at the point in your life where you're increasing your pension contributions, consider whether you can pay in the full annual allowance. You may also be able to carry unused allowances over from the last three tax years. It's worth checking whether you used your full allowances each year from 2022/23 onwards. Tax changes from April make tax wrappers like ISAs and pensions even more important to use in full.
- If you're coming up to retirement and thinking of making a large pension withdrawal, talk to us about spreading the withdrawal over two or more tax years. This will minimise your income tax liability.
- Take advantage of your £3,000 annual capital gains tax (CGT) exemption.
- If you're a high earner, you may be able to bring your taxable income down by putting more money in your pension or making charitable donations. These can:
 - Bring your income down below the additional rate tax band, which starts at £125,140.
 - Help you hold on to your Personal Allowance, which is slowly withdrawn once you earn over £100,000.
 - Help you hold on to your child benefit, which is gradually withdrawn if one parent in the household earns more than £60,000.
- Use this tax year-end opportunity to gift up to £3,000 this year. This will mean that it isn't included in the value of your estate, and so won't be liable for Inheritance Tax. You can carry any unused exemption forward to the next tax year – but only for one year.
- If you own a business, consider taking dividend income instead of salary. In this tax year the first £500 of dividend income is tax free. You may also be able to minimise National Insurance contributions (NICs) too.
- Undertake a tax health check to ensure that you're taking full advantage of your tax reliefs and allowances.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

The levels and bases of taxation and reliefs from taxation can change at any time and are generally dependent on individual circumstances.

