



Tax Year End Health Check

The end of the tax year is fast approaching but there is still time to get your finances in shape by utilising any unused tax reliefs, allowances or exemptions before they are lost.

Here are a few ideas to think about, but please note, this list is not exhaustive and everyone's circumstances are unique. You should take advice to make sure your financial and tax affairs are in tip top condition.

Higher and additional rate income tax payers can use pension contributions to reduce their taxable income and help to restore some, or all, of their Personal Allowance.

The pensions carry forward rules allow any unused Annual Allowance to be utilised for a maximum of three tax years – therefore 5th April 2018 is the last opportunity to use any available allowance from 2014/15.

Income tax relief for pension savings at higher rates may not be around forever – additional and higher rate tax payers may wish to pay more into their pensions to maximise their tax relief.

Pension contributions can also help families to retain their Child Benefit, which is progressively reduced if an individual's adjusted net income is more than £50,000.

Utilise the Capital Gains Tax (CGT) annual exempt allowance – currently £11,300 – as this allowance cannot be carried forward. Spouses and civil partners can transfer assets between themselves to make the most of their annual CGT allowances.

Reduce the size of your estate for Inheritance Tax (IHT) purposes by utilising the annual £3,000 gift exemption – remember, any remaining amount can only be carried forward for one year, so last year's gift exemption will be lost on 6th April 2018. Unlimited individual gifts of £250 can also be made, as long as you haven't used another exemption on the same person.

Maximise annual subscriptions into ISAs and JISAs (currently £20,000 and £4,128 respectively) as if not used these will be lost at the end of the tax year.

Business owners and individuals will see the dividend allowance cut from £5,000 to £2,000 in April 2018, so make use of the £5,000 allowance before the end of the tax year wherever possible.

To avoid a rush this time next year, put strategies in place now to minimise tax paid throughout 2018/19.

**For a detailed review tailored to your specific circumstances, please speak to one of our Consultants.
Contact us for more information and full details of our services and charges.**

The views and opinions expressed in this document are based on our understanding of current legislation and could change in the future.
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