

Tax Year End

Health Check 2019



As the tax year end approaches you still have time to get your finances in order by utilising any unused tax reliefs, allowances or exemptions before they are lost. We highlight a few areas for consideration below, but please note, this list is not exhaustive and everyone's circumstances are different. Make sure your financial and tax affairs are reviewed on a regular basis to put in place strategies which can help to minimise the tax you pay.

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 currently allow any unused Annual Allowance (AA) to be utilised for a maximum of three tax years – therefore 5th April 2019 is the last opportunity to use any available allowance from 2015/16.

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.

Anyone whose adjusted income exceeds £150,000 may be affected by the Tapered Annual Allowance. The AA is reduced by £1 for every £2 above the £150,000 threshold. Those affected should take action to avoid any unnecessary tax liability.

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 £11,700 – 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 2019. 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 £4,260 respectively) as if not used these will be lost at the end of the tax year.

Business owners and individuals should make use of the £2,000 Dividend Allowance before the end of the tax year wherever possible.

Many market commentators expect current stock market volatility to continue in the coming months. To smooth out the highs and lows of share prices consider spreading any investment contributions, rather than paying as a lump sum. This is known as pound cost averaging.

**If you need advice speak to one of our Consultants for a detailed review
which is tailored to your specific circumstances
Contact us for more information and full details of our services and charges**

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