



END OF TAX YEAR 2018/19

Don't pay more tax than you need to...

ISAs – DON'T MISS OUT ON TAX SAVINGS

The 2018/19 tax year ends on 5 April, so it's the perfect time to make sure you take advantage of the tax incentives available to you and don't pay unnecessary tax. Although you can use your ISA allowance at any time during the tax year, the deadline of 5 April adds an extra focus. Because of their tax benefits ISAs are perhaps the obvious choice for investing tax efficiently, but there are other steps you can take too. Here's a quick reminder to help you make sure you don't miss out.

USE YOUR ANNUAL ISA ALLOWANCE

You can invest up to £20,000 in the 2018/19 tax year and all future investment growth will be free from personal income tax and capital gains tax. There are a number of options including cash ISAs, stocks & shares ISAs, innovative finance ISAs, Help to Buy ISAs and Lifetime ISAs. You can put all of the £20,000 in any one of them or split the allowance between cash, stocks & shares or innovative finance ISAs. It's your choice.

CHECK YOUR EXISTING CASH ISA HOLDINGS

It's important not to forget about your existing ISAs. If you have cash ISAs you should make sure you're getting the best available rates, but make sure you check for any penalties before you move. If you don't need to keep all your ISA investments in cash, you can move some or all of your existing cash ISA holdings to a stocks-and-shares ISA without affecting your current tax year's ISA allowance – this year's £20,000 allowance is a limit on new investment only. Stocks-and-shares ISAs aren't a good home for money you may need in the short term. You must be prepared to leave your money in a stocks-and-shares ISA for at least five years, and accept the risk that you may get back less than you put in.

CONSIDER JUNIOR ISAs (JISA)

Parents or guardians can open a JISA for their children. The JISA has all the tax benefits and investment choices

of the normal ISA – all income and capital growth is free from personal income tax and capital gains tax. The annual investment limit is £4,080 and you can split this between a cash JISA and stocks-and-shares JISA however you wish. Although only parents or guardians can set up a JISA, anyone can pay into it. You have until the 5 April to take advantage of this year's JISA allowance.

MAXIMISE YOUR PENSION CONTRIBUTIONS

As well as making the most of your ISA allowance there are other tax-saving steps you can take such as paying a pension contribution. You can save as much as you like into as many registered pension schemes as you like and get tax relief on those contributions of up to 100% of your earnings (salary and other earned income) each year, provided you pay the contribution before age 75. Do this by the 5 April and, within certain limits, you will receive basic rate tax relief on your contribution. If you're eligible for higher-rate tax relief you can claim this through your tax return. The annual allowance for tax relief in 2018/19 is £40,000.

DON'T FORGET IHT AND CAPITAL GAINS TAX

You can give away up to £3,000 in this tax year and it will fall outside your estate for inheritance tax purposes. You can also make gains of up to £11,100 without incurring capital gains tax. So if you're thinking of selling some assets there may be a benefit in doing so by 5 April.

ACT NOW!

Regardless of how or where you decide to invest your money, to take advantage of any tax incentives available in this tax year you must invest before 5 April. For example, if you haven't used this year's ISA allowance by 5 April you've lost it forever. So start your research now and make sure you don't miss out. Please don't hesitate to contact us if you would like expert help to make sure you don't pay unnecessary tax.

THE VALUE OF INVESTMENTS AND THE INCOME THEY PRODUCE CAN FALL AS WELL AS RISE. YOU MAY GET BACK LESS THAN YOU INVESTED. TAX TREATMENT DEPENDS ON INDIVIDUAL CIRCUMSTANCES. TAX TREATMENT RATES AND ALLOWANCES ARE SUBJECT TO CHANGE. TAX PLANNING IS NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.