

What's on your financial to-do list for 2026?

Why keeping your financial plan relevant is more important than ever

Have you set your New Year's financial resolutions? The key is to make them specific and measurable. To help you get started, we have suggested some financial resolutions for 2026 to consider, all of which are realistic, achievable and easy to track.

Life is rarely static. In a climate of economic change, keeping your financial plan relevant is more important than ever. If you've experienced a significant life event, such as inheriting money, selling a business or separating from a partner, it is vital to consider how it impacts your finances. A plan that was suitable last year might no longer fit your current situation.

BEGIN WITH A MEANINGFUL REVIEW

Financial plans should be reviewed at least annually to ensure they remain aligned with your life and goals. Over time, circumstances can change significantly. You might receive a salary increase, experience a change in your family situation or develop new long-term ambitions. The economy also fluctuates, affecting investments, interest rates and the cost of living. Without regular updates, your plan could become outdated and less effective in guiding you towards your financial objectives.

This provides a structured chance to make necessary adjustments, keeping your financial plan aligned with your current circumstances and future goals. The start of a new year is the perfect time for this important review. It acts as a natural milestone, encouraging reflection on the past 12 months and planning for the year ahead. This period allows you to assess your progress against earlier goals and set new ones. With the festive season over, many people find they have the mental space to focus on practical matters like finances. So, what should you consider?

HIGHLY EFFECTIVE TAX-EFFICIENT WRAPPERS

A good starting point is Individual Savings Accounts (ISAs), a highly effective, tax-efficient wrapper for both investments and cash savings that protects against tax on income and capital gains. You have an annual ISA allowance of £20,000. With the tax year ending on 5 April, now is the time to ensure you've fully maximised this benefit for the tax year 2025/26.

There are different types of ISAs to consider when planning your finances. Cash ISAs offer a simple, low-risk way to earn tax-free interest on your savings. For those seeking higher growth potential, Stocks & Shares ISAs allow you to invest in a wide range of assets, including shares, bonds and funds, with any returns, dividends or capital gains remaining tax-efficient.

HELPING YOUR MONEY WORK HARDER

Stocks & Shares ISAs can help your money grow more effectively over the long term, especially if you're willing to accept more risk. Some people opt for both a Cash ISA and a Stocks & Shares ISA to balance the safety of cash with the potential for higher investment returns, aligning their choices with their personal goals and risk tolerance.

Utilising your ISA allowance is essential for developing a broader financial strategy. Cash ISAs remain free from Income Tax on interest earned,



and their higher contribution limits make them a valuable tool for enhancing overall tax efficiency.

MAXIMISING YOUR PENSION OPPORTUNITIES

Next, let's review pensions. Your annual pension contribution allowance is £60,000, subject to the earnings limit, the Annual Allowance and MPAA (Money Purchase Annual Allowance). If you typically utilise your full pension allowance each year, ensure you do so before the end of the tax year.

Pensions legislation is complex, and your personal circumstances and tax situation largely determine its impact on you. Understanding how these rules apply is essential for maximising your long-term savings and retirement plans. With our professional advice, we can help clarify your position and ensure you take full advantage of the opportunities available to you.

TAX-EFFICIENT GIFTING AND WEALTH TRANSFER

If you're planning to pass on your wealth, the annual Inheritance Tax (IHT) exempt gifting allowance of £3,000 is a valuable option. This allowance can be carried forward for one year if unused, meaning you could potentially gift up to £6,000 tax-free before the end of the 2025/26 tax year if you didn't utilise the previous year's allowance.

Gifting in this manner should always be part of a broader, well-considered financial plan. It can work effectively alongside other wealth transfer methods, such as paying for grandchildren's

school fees or contributing to Junior ISAs. Before transferring any assets, ensure they align with your overall objectives and that you have sufficient funds for your future.

CONVERSATIONS THAT BUILD CONFIDENCE

IHT planning is just one part of effective intergenerational wealth planning. Many families often avoid discussing inheritance. If you haven't already, it's worth considering introducing your children or other heirs to us and involving them in conversations about your wealth.

Open communication ensures your loved ones are prepared to receive their legacy and handle it wisely. By adopting these resolutions, you take tangible steps towards a secure financial future for yourself and your family. ■

THIS ARTICLE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE TAX, LEGAL OR FINANCIAL ADVICE. TAX TREATMENT DEPENDS ON INDIVIDUAL CIRCUMSTANCES AND MAY CHANGE IN THE FUTURE. A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE). THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE. INVESTMENTS CAN FALL AS WELL AS RISE IN VALUE, AND YOU MAY GET BACK LESS THAN YOU INVEST.

IS IT TIME TO DISCUSS YOUR PLANS FOR THE YEAR AHEAD AND BEYOND?

If you have any questions about your financial situation or wish to discuss your plans for the year ahead and beyond, please do not hesitate to get in touch for further information.

