

## Key steps to take before the tax year ends

Why you should act now: Have you used your allowances before 6 April 2026?

With the 2025/26 tax year-end fast approaching, now is the time to act. Waiting until the last minute could mean missing out on valuable allowances that can boost your finances and save you money.

We've all been there, scrambling to meet a deadline, whether it's for work, a holiday booking or filing paperwork. But when it comes to your finances, that last-minute rush can be costly. By planning, you'll not only avoid unnecessary stress but also set yourself up for a stronger financial future.

Everything you do now could secure tax savings before it's too late. Leaving action down to the wire often leads to missed opportunities for your money to grow tax-free and prompts rushed, potentially poor decisions. By making the most of every available allowance now, you lock in more financial value for the year ahead.

### MAXIMISE YOUR ISA ALLOWANCE BEFORE IT EXPIRES

A key priority this year is making the most of your Individual Savings Account (ISA) allowance. For the 2025/26 tax year, you can put up to £20,000 into ISAs across Cash, Stocks and Shares, Innovative Finance and LISAs.

The real power of an ISA lies in its tax efficiency. All gains, interest and dividends within your ISA are tax-efficient. However, this benefit isn't retroactive; it applies only if you act before the 6 April 2026 deadline.

### WHY EARLY ACTION MATTERS

The sooner you invest in your ISA, the longer you benefit from tax-efficient compounding.

What is tax-efficient compounding? Simply put, it means your investments grow faster because you aren't paying tax on the gains, and those gains then generate their own earnings.

If you don't use your allowance before the deadline, it's lost for good. You cannot carry it over to the next year, so don't miss out on this valuable opportunity.

### BOOST YOUR PENSION POT

The annual pension allowance for this tax year remains at £60,000 or 100% of your earnings, whichever is lower. Tax relief is applied based on your relevant

earnings; if you have no or low earnings, you can still contribute up to £3,600 gross. Maximising your contributions before the tax year ends gives your retirement pot another full year to grow and benefit from generous tax relief.

### This is especially crucial if you are:

- Nearing retirement and want to maximise your final pot size.
- Planning a substantial pension top-up.
- Looking to reduce your taxable income for the current year.

Leaving it too late could mean missing this year's allowance entirely and falling behind on your long-term retirement goals.

### USE OTHER ALLOWANCES OR RISK LOSING THEM

ISAs and pensions aren't the only tools you should consider. There are several 'use it or lose



it' allowances that reset on 6 April. If you haven't utilised them by the deadline, they vanish.

**Key allowances to review include:**

**Capital Gains Tax (CGT) Allowance:** This has been reduced to £3,000 for individuals (£1,500 for most trusts). If you are sitting on investment profits outside of an ISA or pension, utilising this allowance can save you a significant tax bill.

**Dividend Allowance:** This has been cut to just £500. Ensure your investments are structured to mitigate the impact of this lower threshold.

**Junior ISAs:** Don't forget the younger members of the family. Funding Junior ISAs is a great way to pass on wealth tax-efficiently.

**Gifting:** Making gifts now can help reduce the value of your estate for Inheritance Tax purposes.

**Spousal Transfers:** If appropriate, splitting allowances with a spouse or registered civil partner can double your household's tax efficiency.

Every action you take contributes to your family's overall financial wellbeing.

**GET PROFESSIONAL SUPPORT TO MEET THE 6 APRIL DEADLINE**

Tax rules are constantly changing, and navigating the right steps to take on your own can be daunting. Seeking professional advice now ensures you make the most of what's on offer and have a clear plan in place well ahead of the deadline.

Adapt your financial strategy sooner, rather than later. You'll make informed decisions, avoid the 11th-hour panic and feel confident that you've used every allowance to its full potential. ■

**ARE YOU READY TO USE YOUR TAX ALLOWANCES?**

If you want to secure your finances and make the most of this tax year's opportunities before 6 April 2026, contact us today. We are ready to help you navigate your options, act ensure your financial plans stay on track.

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