St James's Place

Tax year 2026/27

Tax planning checklist

Reviewing your finances regularly is essential to help ensure you're making the most of the tax reliefs and allowances available to you. Proactive financial planning can help you maximise your savings and prepare effectively for the year ahead.

- Put as much money as you can into your ISAs – the allowance is still currently £20,000. For under 65's the maximum that can be subscribed to a Cash ISA is reducing to £12,000 in April 2027.
- Check your spouse or partner has also maximised their own ISA allowance. That could mean as much as £40,000 invested tax efficiently.
- Put up to £9,000 per child or grandchild into Junior ISAs. It's a great way to pass money to the next generation, tax efficiently. A parent or guardian will be required to set up the Junior ISA, but anyone can contribute to the investment.
- If you're at the point in your life where you're increasing your pension contributions, consider whether you can pay in the full annual allowance. You may also be able to carry unused allowances over from the last three tax years. It's worth checking whether you used your full allowances each year, from 2023/24 onwards.
- If you're coming up to retirement and thinking of making a large pension withdrawal, talk to your adviser about spreading the withdrawal over two or more tax years. This could help minimise your Income Tax liability.
- Take advantage of your Capital Gains Tax (CGT) annual exempt amount. Your CGT annual exempt amount is £3,000.
- If you're a high earner, you may be able to bring your taxable income down by putting more money into your pension or making charitable donations. These can:
  - Extend the threshold above which you start to pay additional rate tax, which starts at £125,140.
  - Help you preserve your Personal Allowance, which is gradually withdrawn once you earn over £100,000.
  - Help you hold on to your Child Benefit, which is gradually withdrawn if one parent in the household earns more than £60,000.
- Use this tax year as an opportunity to make use of your annual IHT exemption of £3,000. The annual IHT exemption can be carried forward for one tax year so if you didn't use it in 2025/26, you could gift up to £6,000 before 6 April 2027 and the amount gifted will leave your estate immediately and so won't be liable for Inheritance Tax.
- If you own a business, consider taking dividend income instead of or in addition to salary. In this tax year the first £500 of dividend income is tax free and dividend income above the dividend allowance is taxed at lower income tax rates than salary. You may also be able to minimise National Insurance contributions (NICs) too. It is however important to note that dividends are payable out of post-corporation tax profits so professional advice will be essential to determine the best remuneration strategy to optimise tax-efficiency overall.
- Undertake a tax health check to ensure that you're taking full advantage of your tax reliefs and allowances.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

The levels and bases of taxation and reliefs from taxation can change at any time and are generally dependent on individual circumstances.

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