

It's crunch time!

TAX YEAR 2021-22



ST. JAMES'S PLACE
WEALTH MANAGEMENT

Your tax year-end checklist

Are you the kind of person who leaves things until the last minute? Even if that's only occasionally the case, you might not already have taken full advantage of the tax reliefs and allowances available to you during the current tax year. Here's a checklist of the key opportunities to consider before the 5th April deadline.

- ✓ Put as much money as you can into your ISAs – the allowance is still £20,000.
- ✓ 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.
- ✓ 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 can also carry unused allowances over from the last three tax years. It's worth checking whether you used your full allowances each year, from 2018/19 onwards. It might mean you can tuck even more away in your pension.
- ✓ If you're coming up to retirement and thinking of making a large pension withdrawal, talk to your St. James's Partner about spreading the withdrawal over two or more tax years. This will minimise your Income Tax liability.
- ✓ Take advantage of your annual Capital Gains Tax (CGT) exemption. This has been frozen at £12,300 until 2026.
- ✓ If you're a high earner, you may be able to bring your taxable income down by putting more money in your pension or making charitable donations. These can:
 - Bring your income down below the additional rate tax band, which starts at £150,000.
 - Help you hold on to your Personal Allowance, which is slowly withdrawn once you earn over £100,000.
 - Help you hold on to your Child Benefit, which is gradually withdrawn if one parent in the household earns more than £50,000.
- ✓ Use this tax year-end opportunity to gift up to £3,000 this year. This will mean that it isn't included in the value of your estate, and so won't be liable for Inheritance Tax.
- ✓ If you own a business, consider taking dividend income instead of salary. The first £2,000 of dividend income is tax-free. You may also be able to minimise National Insurance contributions (NICs) too.
- ✓ If you can divert your company's pre-tax profits into a personal pension, you can potentially reduce your Corporation Tax, Income Tax (including on dividends) and NICs contributions.

Remember: the use-by date for this tax year's reliefs and allowances is 5th April. So don't let them go to waste. Contact your St. James's Place Partner today.

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 you invested.

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