

GUIDE TO

END-OF-TAX-YEAR PLANNING

*How to maximise your finances before
the 5 April 2025 deadline*

JANUARY 2025



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Welcome to our *Guide to End-of-Tax-Year Planning*.

Our money is hard-earned and precious, so it is understandable that parting with it in the form of taxes isn't something anyone looks forward to. However, understanding how to plan your finances effectively could significantly affect your financial future.

The UK tax system is complex, and many individuals remain unaware of the assistance and allowances available to them. With the current tax year running until 5 April 2025, there's still time to optimise your finances.

Taking advantage of various tax reliefs and

staying informed and taking steps promptly, you can make the most out of available allowances while also considering strategic opportunities for the future, such as improving retirement stability or optimising savings.

but it doesn't have to be confusing. Everyone receives a personal allowance. This is the amount of money you can earn without paying any Income Tax. For the 2024/25 tax year, this allowance is £12,570. However, if your income exceeds £100,000, your personal allowance will

Understanding where your earnings fall can help you manage your taxes better.

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Special allowances for savings and dividends

If you have savings or investments, there are extra allowances to know about that might save you money. The Personal Savings Allowance lets you

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Key changes to ISAs in 2024

Recent rule updates in November 2024 make fractional shares within an ISA wrapper tax-efficient, providing new opportunities for savvy investors. Changes also now allow ISA transfers between providers to access better terms, but care is required to ensure limits and tax benefits remain intact.

Flexible ISAs provide another layer of practicality, enabling withdrawals and replacements of funds within the same tax year without impacting your allowance – though this feature is unavailable for Junior and Lifetime ISAs.

Reviewing pensions before the tax year closes

Ensuring you maximise pension contributions

thresholds are currently frozen until 5 April 2030. The Residence Nil-Rate Band offers substantial relief when passing property to children or grandchildren, providing up to £1 million of exemptions for married couples.

Recent proposals announced during the Autumn Budget Statement 2024 include pensions under the Inheritance Tax framework, complicating their efficiency as estate planning tools. Alternatives such as gifting, whole-of-life insurance policies or trust arrangements may prove more beneficial.

Agricultural and business relief reforms

Another significant change to Inheritance Tax

Making tax-efficient gifting decisions

Gifts offer another way to reduce taxable estates effectively. Exemptions include wedding gifts, annual allowances of up to £3,000 and contributions to charities or political parties. By utilising these provisions properly, families can reduce inheritance liabilities while distributing wealth during their lifetime.

Capital gains and the importance of timing

Capital Gains Tax is also in the spotlight following the Autumn Budget Statement 2024, with a revised rate of 24% likely to impact investors' behaviour. While less onerous than

longer-term penalties. This approach requires timing – waiting over 30 days for a repurchase or conducting the transaction via a spouse, registered civil partner, ISA or pension can maximise its effectiveness.

Considering non-dom status versus other strategies

For individuals seeking to escape the UK tax net, non-domicile status might appear attractive theoretically but is fraught with complexities in practice. While Income Tax can often be avoided relatively quickly by moving abroad, full detachment from the IHT framework takes years. This leaves many questioning whether waiting for ten years outside the tax net is worth the effort.

Alternatively, gifting significant portions of wealth now can be a simpler and more immediate way to sidestep long-term IHT

TAKING FINANCE

Don't forget to consider the impact of the April 2024 changes to the ISA allowance. It's also worth considering the impact of the new rules on the ISA allowance.

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TIME TO TAKE CONTROL OF YOUR FINANCES TODAY AND SECURE A BRIGHTER FINANCIAL FUTURE?

Don't miss the chance to optimise your tax planning before 5 April 2025. Discover how you can save more by using untapped tax reliefs and allowances. Act now to minimise tax liabilities, protect your savings and make your hard-earned money work smarter.

**Don't leave your financial future to chance.
Contact us today.**

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