



End of tax year 2025/26

The 2025/26 tax year ends on 5 April, so now is a great time to make the most of the tax incentives available to you and avoid paying extra tax.

You can use your ISA allowance anytime during the tax year. ISAs are a popular choice for tax-efficient investing, but there are other options too.

Here's a quick reminder to help you make sure you don't miss out:

Use your annual ISA allowance

You can invest up to £20,000 in the 2025/26 tax year, and any future growth on your investment will be free from personal income tax and capital gains tax. There are several options available, including cash ISAs, stocks & shares ISAs, and Lifetime ISAs. You can choose to put all of the £20,000 into one type of ISA or split the allowance between different types.



Lifetime ISA's have an allowance of £4,000 annually.

Check your existing cash ISA holdings

It's important not to forget about your existing ISAs. If you have cash ISAs you should make sure you're getting the most suitable rates, but check for any penalties before you move. If you don't need to keep all your ISA investments in cash, you can move some or all of your existing cash ISA holdings to a stocks-and-shares ISA without affecting your current tax year's ISA allowance – this year's £20,000 allowance is a limit on new investment only. Stocks-and-shares ISAs are not suitable for money you might need in the short term. You should be prepared to leave your money in a stocks-and-shares ISA for at least five years, and accept the risk that you may get back less than you put in.

Consider junior ISAs (JISA)

Parents or guardians can open a JISA for their children. The JISA has all the tax benefits and investment choices of the normal ISA – all income and capital growth is free from personal income tax and capital gains tax. The annual investment limit is £9,000 and you can split this between a cash JISA and stocks-and-shares JISA however you wish. Although only parents or guardians can set up a JISA, anyone can pay into it. You have until the 5 April 2025 to take advantage of this year's JISA allowance.

Maximise your pension contributions

Besides using your ISA allowance, there are other tax-saving steps you can take such as paying a pension contribution. You can save as much as you like into as many registered pension schemes as you like and get tax relief on those contributions of up to your annual allowance each year, provided you pay the contribution before age 75. Do this by the 5 April and, within certain limits, you will receive basic rate tax relief on your contribution. If you're eligible for higher-rate tax relief you can claim this through your tax return.



For the 2025/26 tax year, the annual allowance for tax relief is 100% of your earnings (salary and other earned income), up to a maximum of £60,000.

Don't forget inheritance tax (IHT) and capital gains tax

You can gift away £3,000 per tax year which will fall outside of your estate. If you didn't use last year's gifting allowance, you can double this amount. You can also make gains of up to £3,000 without paying capital gains tax. If you're thinking of selling some assets, it might be beneficial to do so before 5 April.



Your next steps

Please contact us if you would like to talk about what you should do before tax year end.

*The value of pensions and investments and the income they produce can fall as well as rise.
You may get back less than you invested.*

Tax treatment varies according to individual circumstances and is subject to change. For ISA's investors do not pay any personal tax on income or gains, but ISAs may pay unrecoverable tax on income from stocks and shares received by the ISA managers.

You will incur a lifetime ISA government withdrawal charge (currently 25%) if you transfer the funds to a different ISA or withdraw the funds before age 60 and you may therefore get back less than you paid into a lifetime ISA.

By saving in a lifetime ISA instead of enrolling in, or contributing to an auto-enrolment pension scheme, occupational pension scheme, or personal pension scheme:

- (i) you may lose the benefit of contributions from your employer (if any) to that scheme; and
- (ii) your current and future entitlement to means tested benefits (if any) may be affected.

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