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## **Out and About in the Financial World**

**Welcome to our newsletter sharing items that we feel may be of interest to you, our clients, as well as your family and friends.**

**If you read anything of interest and we can be of further help please don't hesitate to give us a call.**

### **Your tax year end checklist**

**There's a lot to think about as the end of the tax year approaches, especially if you're looking to save as tax-efficiently as you can. As the 5 April deadline isn't that far away now, we've put together a checklist to help you complete your financial end of tax year tasks with confidence and make the most of your all-important tax allowances.**

#### **Investments - the 3 things on the list**

Maximise your annual ISA allowance - in the current tax year you can save and invest up to £20,000 and pay no income, dividend or capital gains tax on your investments. Unlike your annual pension allowance, you can't carry this forward. So, if you don't use it, you'll lose it.

Pay into a Junior ISA - the 2025/2026 allowance for JISA contributions is £9,000. Putting money away for a child gives you an alternative way to save and invest tax-efficiently for your child. Giving them a financial boost into adulthood once they reach 18, just when they may need it.

Complete a Bed and ISA - if you haven't used all of your ISA allowance yet and hold money in an Investment Account, it's possible to move money from that Investment Account to your ISA. However, it's worth noting you'll be out of the market while the money is being moved, and it counts as a taxable event for Capital Gains Tax (CGT) purposes. Just how long any move might take depends on your provider. So, check with your provider to make sure everything goes through before the end of the tax year.

#### **Pensions - the 5 things on the list**

Make the most of your annual pension allowance - each tax year, you can get tax relief on pension contributions up to £60,000 or 100% of your earnings (whatever is lower). If you have no or very low earnings, the allowance is £3,600 including tax relief. Special circumstances may apply if you've already taken taxable money from your pension savings. And note that if you're likely to earn more than £200,000, your annual allowance may be lower, or 'tapered'.

Carry forward pension contributions - if you've used up your annual allowance for the current tax year, you may be able to make use of any unused annual allowance from the three previous tax years. To do this, you need to adhere to certain conditions so it's always best to check.

Pay into your spouse or civil partner's pension - if your other half isn't working or has no earnings you can pay £2,880 each year into a spouse or civil partner's pension plan, and it will be topped up by the government to make a total contribution of £3,600.

Pay into a Junior Self-Invested Personal Pension (JSIPP) - you can also contribute up to £2,880 a year to a Junior SIPP and the government will add £720 basic tax relief (20%), taking the total up to £3,600.

If you're already taking retirement income - make use of your personal, savings and dividend allowances for income tax purposes. Think about structuring your income by taking capital and gains from your portfolio to make use of the capital gains allowance, which is currently £3,000.

Cont.

## **Your tax year end checklist - Continued**

### **Tax - the 2 things on the list**

Capital gains tax (CGT) allowance - the 2025/2026 CGT allowance is £3,000.

Reducing your inheritance tax (IHT) bill - there are a number of yearly IHT allowances which could reduce your IHT bill when you pass away. The annual gifting allowance is £3,000 and you can divide this amount between one or more people. You can also carry forward one unused year's allowance to gift £6,000 in one year. What's more, you can give £250 per year to as many people as you like, but only if they've not already benefited from your annual exemption. And it's possible to give away regular amounts that you don't need from your income, as long as these aren't needed to maintain your standard of living.

Finally, you can contribute to someone's wedding, as long as you gift this amount before the wedding day, and it actually takes place. You can give £1,000 to anyone you know; £2,500 to a grandchild and £5,000 to a child. A note of caution about gifting... it's best to keep a record of any gifts, as they may be called into question in the future.

**Source: Fidelity International Published 26 February 2026**

### **Cash rates falling with interest rates**

As cash rates have been falling with interest rates you should consider transferring to potentially improve interest rates or transfer from Cash to Stocks & Shares ISA to improve long term returns without affecting the annual entitlement.

**The value of your investment cannot increase in value whilst your funds are being transferred.**

**The value of your funds as well as any income generated by them, can go down and you may not get back the original amount invested.**

**Past performance should not be considered as a reliable indicator of future performance.**

### **An attractive alternative to bank cash deposit accounts**

There is currently a low risk option for clients with high cash savings to invest up to 5 years (and possibly longer) with low risk and simple access, using UK Gilts.

What is a Gilt? A gilt is a UK government bond issued by The Treasury. When you buy one at issue, you lend money to the UK government in return for regular interest until the bond matures, at which time you are repaid. UK Government bonds are typically viewed as one of the safest forms of bond.

By investing in a fund holding a number of short-dated UK gilts you can benefit from the fact that these are discounted from their maturity value because their price is lower than the initial price reflecting the low rates of interest when they were issued.

As an example, a bond which matures for £100 on 31/01/2028 having an interest rate of 0.125% was priced at £93.56 on 02/02/2026. That means an actual return of 3.5%, but this is exempt from tax for individual investors, meaning a true gross return equivalent of 4.34% for 20% taxpayers, and 5.74% for 40% taxpayers.

One with an interest rate of 0.5% maturing for £100 on 31/01/2029 was priced at £90.86 producing an annual return of 3.76%, equivalent gross to 4.57% for 20% taxpayers, and 5.91% for 40% taxpayers.

These are examples only to indicate how this works, and the investment is actually made across a number of gilts to align with when funds may be required by the client. Rates change but current figures can be provided if you are interested.

Provided the gilts are held to maturity the benefit to clients is a very small income tax element on the low actual interest element, coupled to the more significant tax-free capital uplift.

By way of contrast, deposit account interest is, of course, subject to income tax. This alternative therefore provides the potential for better returns over the short term.

**If you need help with your year end checklist, give us a call.**