



# Tax year end planning tips

Check out our tax planning tips ahead of the Tax year end on 5 April 2022.

As the tax year end is fast approaching, now is a good time to consider if you have maximised all available tax reliefs and allowances for the current tax year.

Here are some planning points to consider:

## 1 | Make charity donations under the gift aid scheme

Not only will you be helping your chosen charities you will also receive tax relief if you are a higher rate tax payer.

This is particularly beneficial if you are in the position where your income exceeds £50,000 and you (or your partner) claim child benefit which is going to be clawed back. Or, if your income exceeds £100,000 and you are at risk of having your personal allowance clawed back.

## 2 | Make pension contributions

Basic rate 20% tax relief is given automatically on personal pension contributions.

Higher and additional rate tax payers are able to claim further relief via their tax return.

Remember to bear in mind the amount of your relevant earnings, as well as the pensions annual allowance limit and tapering rules for higher earners.

## 3 | Gifting

Use your annual Inheritance Tax gifts exemption of £3,000 by making gifts to loved ones. Remember if you have not used the previous year's amount, you can actually gift up to £6,000.

In addition, you could consider starting to make regular gifts from your excess income. These are immediately outside of your estate for IHT purposes.

## 4 | Capital gains tax

Use your capital gains tax annual allowance of £12,300 by selling or gifting shares or gifting an interest in a property. Remember, 'use it or lose it' as it cannot be carried forward to future tax years.

## 5 | Sharing your assets

If you are married, ensure that you are maximising your personal allowances and lower rate bands between you. Transfer income yielding assets to your spouse/civil partner if they pay tax at a lower rate. Ensure you and your spouse/civil partner are both taking advantage of the £2,000 tax free dividend allowance.



**Please contact your usual CK contact to discuss how you might take advantage of any of these tax planning tips.**