



**SFIA**  
29 High Street  
Marlow, Bucks SL7 1AU

**Tel:** 0845 458 3690

**Fax:** 0333 444 1550

**Web:** [www.sfia.uk](http://www.sfia.uk)

**Email:** [enquiries@sfia.co.uk](mailto:enquiries@sfia.co.uk)

# Time to identify your tax planning opportunities?

## Tax-efficient plans for 2018/19 and the future

Although the current tax year does not end until 5 April 2019, tax planning shouldn't be a mad March rush. Now is the perfect time to get a head start on your tax planning resolutions to enhance your own, your family's or your company's tax-efficient plans for the future.

We have set out some tax tips and actions that may be appropriate to certain taxpayers. Reviewing your tax affairs now will ensure that available reliefs and exemptions have been fully utilised, together with future planning which could help to reduce your tax bill.

It is important to ensure that, if you have not done so already, you take the time to carry out a review of your tax and financial affairs to identify any tax planning opportunities and take action before it's too late. Personal circumstances differ, so if you have any questions or if there is a particular area you are interested in, please contact us.

### HERE ARE OUR TIPS TO HELP YOU GET AHEAD ON MANAGING YOUR TAX AFFAIRS IN 2018/19

**Pension contributions** – spouses and children – consider contributing up to £2,880 towards a pension for your non-earning spouse or children. The Government will add £720 on top – for free.

**Individual Savings Accounts (ISAs)** – fully utilise your tax-efficient ISA allowance. The allowance for 2018/19 is £20,000 per person, whilst the Junior ISA allowance is now £4,260 for children under 18.

**Capital gains** – use the capital gains annual exemption of £11,700 (2018/19) to realise gains tax-free. The allowance cannot be transferred between spouses or carried forward.

**Pension contributions** – maximise contributions amount and tax relief. Take full advantage of increasing pension contributions by utilising the annual allowance, which is £40,000 (tapered if you earn over £150,000) or the value of your whole earnings – whichever is lower. Unused annual

allowances may also be carried forward from the previous three tax years.

**Remuneration strategy** – if you run your own company, it's a good idea to determine your pay and benefits strategy sooner rather than later. For 2018/19, the dividend nil-rate band is reduced from £5,000 to only £2,000 – it's really important to consider the tax implications of your chosen approach to salary, benefits, pensions and dividends.

**Gifting** – you can act at any time to help reduce a potential Inheritance Tax bill when you're no longer around. Make use of the Inheritance Tax annual exemption that allows you to give away £3,000 worth of gifts outside of your estate. If unused, the exemption can be carried forward one year.

**Transfer income-producing assets** – consider transferring income-producing assets between your spouse or registered civil partner in order to use the Income Tax personal allowance and lower Income Tax bands of the transferee.

**Overpayment and capital loss claims** – submit claims for overpaid tax and capital loss claims for the 2014/15 year before 5 April 2019, after which such claims will be time-barred.

**Landlords** – for 2018/19, the restriction on deductibility of mortgage interest and other finance costs doubles from 25% to 50%. If you plan to take steps to mitigate the impact (such as incorporation, for example), you may save more tax by taking those steps earlier on in the year. In future years, the restriction will apply to 75%, and then from April 2020, 100% of finance costs incurred by individual landlords. ■

### SAVE TAX – WE'RE HERE TO HELP

Not all of these tax tips will be relevant to you, your family or your business. However, where an idea is of interest or to review your situation, please contact us for a discussion on how this could form part of your tax-efficient plans for 2018/19 and the future. We look forward to hearing from you.

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