Lync
WEALTH MANAGEMENT

GUIDE

A Guide to the New Tax Year

This document contains important information and you should read it carefully and keep it safe for future reference.



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IMPORTANT INFORMATION

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Investments carry risk. The value of your investments (and income from them) can go down as well as up, and you may get back less than you invested. Past performance is not a reliable indicator of future results. Investments should be considered over the longer term and should fit in with your overall attitude to risk and financial circumstances.

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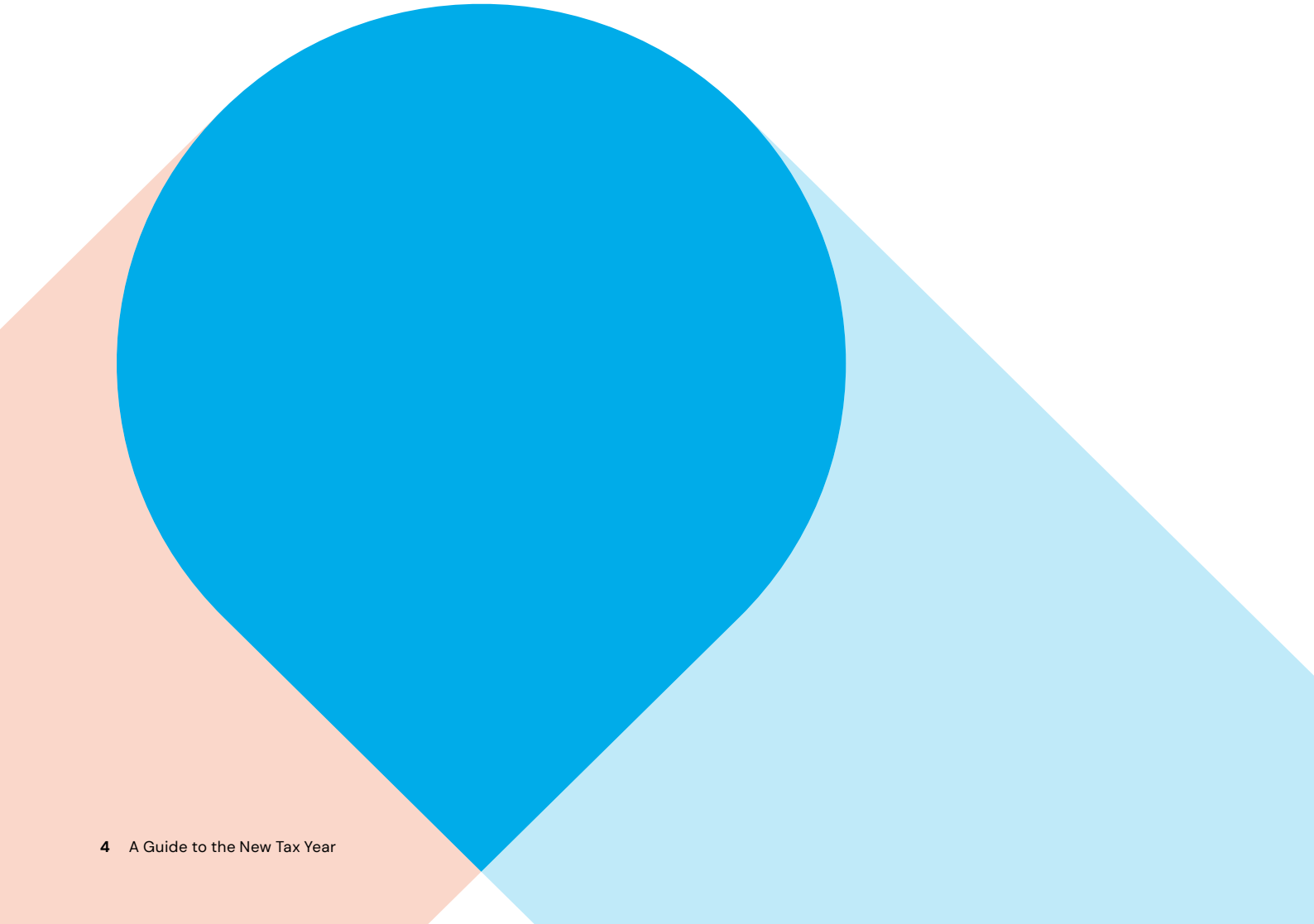
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Introduction

The start of a new tax year is an ideal opportunity to take a step back and review your financial position. Rather than waiting until deadlines approach, acting early allows you to make full use of available allowances, plan more effectively and avoid rushed decisions later in the year.

Many of the tax-efficient opportunities available to you are reset each year, which means that they are only valuable if they are used within that time frame.

Taking a proactive approach at the beginning of the tax year can help to ensure that your money is working as efficiently as possible and aligned with your longer-term goals. It also allows more time for savings and investments to grow, rather than concentrating decisions at the end of the tax year.



Making full use of ISA allowances

Individual Savings Accounts (ISAs) remain one of the most flexible and tax-efficient ways to save and invest.

Each tax year, you can invest up to a total of £20,000 across your ISA accounts and any income or growth within them is free from income tax and capital gains tax.

There are several types of ISAs available, each designed to suit different savings and investment goals. You can split your allowance across all ISA types if you wish, as long as the total across those ISAs does not exceed £20,000. Some ISA types do have their own individual limits as outlined below.

Cash ISA:

A Cash ISA is ideal for those seeking a low-risk savings options. You are able to deposit a maximum of £20,000 into a Cash ISA across the 2026/27 tax year. It is important to note that from 6 April 2027, the Cash ISA deposit limit is being reduced to £12,000 for those aged under 65.

Stocks and shares ISA:

Stocks and Shares ISAs are designed for individuals looking to invest over the medium to long term as they provide the potential for higher returns compared with Cash ISAs.

However, the value of investments can go down as well as up, so this option is best suited for those comfortable with some market fluctuations. You are able to deposit a maximum of £20,000 into a Stocks and Shares ISA across the tax year.

Lifetime ISA (LISA):

Aimed at individuals aged 18–39, a LISA in part replaced the 'Help to Buy ISA' and is designed to help save for your first home or your retirement. You can contribute up to £4,000 per tax year, with the government adding a 25% bonus on contributions up to £1,000. This makes it a powerful tool for long-term savings, particularly for younger savers. It is important to understand that a LISA is not an instant access account and should you withdraw funds for any reason other than to purchase your first home, retirement or if you are diagnosed with a terminal illness, you will face penalty charges.

Junior ISA (JISA):

A Junior ISA allows parents and guardians to save or invest tax-free on behalf of a child. Contributions of up to £9,000 per tax year can be made, either into a Cash JISA or a Stocks and Shares JISA. The child gains control of the account at age 16, but funds cannot be withdrawn until they turn 18, helping to build long-term savings.



One of the key benefits...

One of the key benefits of most types of ISAs is **flexibility**. You can access your money at any time without tax consequences, excluding the LISA, which makes them particularly useful for both short-term savings and long-term financial planning. Using your ISA allowance early in the tax year can also be beneficial, as it gives your money longer to potentially grow in a tax-efficient environment.

Your capital is at risk. The value of your investment, and any income from them, can go down as well as up and you may not get back the full amount you invested. Investments should be considered over the longer term and should fit in with your overall attitude to risk and financial circumstances.

The role of pensions in tax-efficient planning

Pensions continue to be the most effective way to save for retirement in a tax-efficient manner. Contributions typically benefit from tax relief, meaning that money which would have gone to tax is instead added to your pension pot. This can significantly increase the value of your long-term savings over time.

Starting pension contributions early in the tax year can help to improve outcomes, as it allows more time for investment growth and reduces the pressure of making larger, last-minute contributions. Regular contributions can also help to create consistency in your financial planning and make saving more manageable.

For the 2026/27 tax year, the standard annual pension allowance is £60,000 or 100% of your earnings, whichever is lower. This includes all contributions made by you, your employer or any third party.

For higher earners, the allowance may be reduced if:



Your threshold income (your taxable income minus your own pension contributions) is over £200,000 and your adjusted income exceeds £260,000 (your total taxable income plus all employer pension contributions). At this rate, the allowance reduces by £1 for every £2 over the limit.



The minimum annual allowance for the highest earners is £10,000, which applies if your total income is £360,000 or more.

You can carry forward any unused annual allowance from the previous three tax years, provided that you had a registered pension scheme in those years. It is also important to consider how pensions fit alongside other allowances and savings vehicles, ensuring that your overall strategy is balanced and sustainable



A pension is a long-term investment not normally accessible until 55 (57 from April 2028).

Other key tax allowances to consider

In addition to ISAs and pensions, there are several other allowances that can help reduce your tax liability. These include:

Personal savings allowance:

Depending upon which income tax band you are in, you may get up to £1,000 of personal savings allowance that you don't need to pay tax on as the table below shows. The £1,000 is 20% of the limit of the interest received from savings, which is £5,000.

Basic rate	£1,000
Higher rate	£500
Additional rate	£0

Dividend allowance:

For the 2026/27 tax year, the dividend allowance remains at £500 however the rate of tax has increased for basic and higher rate taxpayers. Dividend income exceeding the £500 allowance is taxed at the following rates:

Basic rate	10.75%
Higher rate	35.75%
Additional rate	39.35%

If you are a director or an employee of a company, it's important to be aware that dividends you receive from shares in that company may also be subject to tax as employment income.

Capital gains tax (CGT) allowance:

For the 2026/27 tax year, the CGT allowance remains at £3,000 for individuals and £1,500 for trusts. This means that you can make up to £3,000 in profit from selling assets such as shares, investments or a second property, before any CGT is due. Married or civil partnered couples can each claim the £3,000 exception, allowing a combined total of £6,000.

Basic rate taxpayers will pay 18% on gains and higher or additional rate taxpayers pay 24%. Trustees will pay 24% on gains from residential property and other chargeable assets. The allowance is "use it or lose it", so it cannot be carried forward into future tax years if unused.

Trading allowance:

The UK trading allowance is a tax relief for people who make small amounts of money from trading activities. It allows individuals to earn up to £1,000 per year from trading activities without having to register for self-assessment or pay any income tax on that income.

This allowance is intended for people who run small businesses or sell goods as a hobby, and it applies to all types of trading, such as selling goods online, at markets or car boot sales or providing services.

Planning as a household

For couples, the new tax year is also an opportunity to review finances together. In many cases, tax efficiency can be improved by making use of both individuals' allowances, rather than focusing on one person alone. This may include sharing ISA contributions, balancing pension savings, or ensuring both partners are using their available tax allowances effectively.

Taking a joint approach to financial planning can help improve efficiency and ensure that opportunities are not missed simply because they are not being fully utilised across the household.

Why timing and consistency matter

One of the most important aspects of tax-efficient planning is timing.

Acting early in the tax year gives your money more time to work for you and reduces the pressure that can come later in the year when allowances are close to being used up.

Consistency is also important. Regular contributions, rather than one-off decisions, can help smooth out market fluctuations and make financial planning feel more manageable. Over time, this disciplined approach can contribute to stronger and more predictable outcomes.

However, if you utilise all of your allowances at the start of the tax year, then it may prove difficult to manage your tax liability for the year ahead. This is where the support of a financial adviser comes in. An adviser can help you to make sense of the allowances available to you and how best to use them within your overall financial plan. They can assess your personal circumstances, identify opportunities for tax efficiency and help to ensure your savings and investments are structured appropriately.

They can also help you take a long-term view, ensuring that short-term tax decisions support your wider goals, rather than working in isolation. As rules and allowances change over time, an adviser can help you stay on track and adjust your strategy where needed.

Getting ahead for the year ahead

The new tax year provides a clear opportunity to take control of your finances and make informed decisions early. By making full use of available allowances, planning ahead, and seeking guidance where appropriate, you can put yourself in a stronger position for the year ahead and beyond.



Taking action early is often the simplest way to improve long-term outcomes, and the start of the tax year is the best time to do it..

Thresholds, percentage rates and tax legislation may change in Finance Acts. The value of reliefs and allowances depends on an individual's personal circumstances.

The Financial Conduct Authority does not regulate tax planning.

09/26

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