

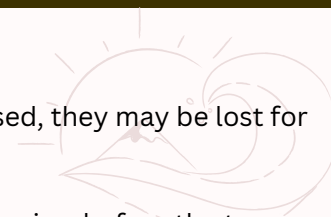
# Tax Year End Allowances 2025/26

Don't lose allowances you've already earned

## What you may want to review before the end of the tax year

Each UK tax year ends on 5 April. Many allowances reset at that point, and if they are not used, they may be lost for that year.

This list highlights some of the most common allowances individuals and business owners review before the tax year ends. It can help you understand what may be available and where it might be worth planning ahead.



## ✓ Allowances That Reset Each Tax Year

These allowances generally cannot be carried forward, so if they are unused by 5 April, they may be lost.

### ISA allowance

£20,000 per person each tax year

This can usually be split across different ISA types such as:

- Cash ISA
- Stocks and Shares ISA
- Innovative Finance ISA

Growth and income inside an ISA are typically **free from income tax and capital gains tax**.

### Junior ISA

Children can receive up to **£9,000 per year** into a Junior ISA.

### Capital Gains Tax allowance

£3,000 per person

This is the amount of **capital gains you can realise in a tax year before tax may apply**.

It can apply to gains from:

- Shares and investments
- Funds
- Certain asset disposals

Spouses and civil partners usually **each have their own allowance**, which may create planning opportunities.

### Dividend allowance

£500 per person

The first **£500 of dividend income each year is tax-free**.

Dividends may come from:

- Shares
- Investment funds
- Owner-managed companies

Income above this amount may be taxed depending on your **income tax band**.

## ✓ Allowances That May Allow Carry Forward

(Some allowances may allow unused amounts to be used in future years under certain circumstances.)

### Pension annual allowance

Up to **£60,000 per year**

Most individuals can contribute up to this amount into pensions without triggering an additional tax charge.

However contributions are normally limited to: Your **annual earnings**, if lower than the allowance.

#### Possible carry forward

Unused pension allowance from the **previous three tax years** may sometimes be carried forward if the rules allow.

This means some individuals may be able to make **larger pension contributions before the end of the tax year**.

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## Savings Allowances

Depending on your tax band, some interest income may be tax-free.

For **Personal Savings** the typical allowances are:

- Basic rate taxpayers – £1,000 tax-free interest
- Higher rate taxpayers – £500 tax-free interest
- Additional rate taxpayers – no allowance

In some cases the **Starting Rate for Savings** may allow up to **£5,000 of interest at 0% tax**, depending on other income.

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## Inheritance Tax Gifting Allowances

Making gifts during your lifetime may reduce the value of your estate for inheritance tax purposes.

There is an annual gifting allowance of **£3,000 per year**.

If unused, this may sometimes be **carried forward one tax year**.

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## Small gifts allowance

You can give up to **£250 per person**, to multiple individuals each year.

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## Wedding gifts

Tax-free gifts may include:

- £5,000 from parents
- £2,500 from grandparents
- £1,000 from others

## Important Year-End Reminders

Review your allowances before 5 April

Many tax allowances operate on a “use it or lose it” basis.

Check both partners' allowances

Spouses and civil partners often each have their own tax allowances.

Keep records

If you are claiming reliefs or planning transactions, it's important to keep supporting documentation.

## A quick note on financial advice

Some allowances mentioned above involve **investments, pensions or savings products**.

PBT Accountancy Limited provides **accountancy and tax support**, but **does not provide regulated financial or investment advice**.

If you are considering financial products or investments, you may wish to speak with a **financial adviser authorised by the Financial Conduct Authority**.

## What to Do Next

- Use this checklist as a **starting point for reviewing your tax position before the year end**.
- Take the Financial Fit Business Quiz
- Book a discovery call for personalised support
- Let's make your finances feel simple – together

