

## YEAR END TAX PLANNING 2018/19

**As another tax year comes to a close, it provides the perfect opportunity to review your finances and maximise any applicable reliefs. We have provided some useful planning suggestions for organising your finances as tax-efficiently as possible in the run-up to the end of the tax year on 5 April 2019.**

**Should you have any specific queries, please do not hesitate to contact us.**

### ISA ALLOWANCE

You may invest up to a limit of £20,000 for the 2018-19 tax year across your ISAs. Up to £4,260 may be contributed into a junior account. There are a range of ISAs available including cash ISAs and Stocks and Shares ISAs.

### PENSION CONTRIBUTION

Pension contributions should be paid before the 5 April 2019. Contributions are limited by a number of factors; the annual allowance for the year is, generally, £40,000 (gross) however this is restricted where you are earning over £150,000 or you have previously taken money from a pension pot.

You can additionally utilise any unused annual allowance in the prior 3 years. Please note that you must also have sufficient net relevant earnings to cover the pension contribution if this is over £3,600 (gross).

### AUTO-ENROLMENT

Please remember to review and, if necessary opt-out of, any employer contribution schemes. Employers have an obligation to re-enrol employees, even if previously opted out.

Employer pension contributions will count towards your annual allowance. If not opted out within one month, these will also jeopardise any pension protection you may have in place.

### BUSINESS PLANNING

For the 2018-19 year, the tax-free dividend allowance has been reduced to £2,000 from £5,000.

The Annual Investment Allowance has temporarily increased to £1m from 1 January 2019 for 2 years. There are transitional rules in place where the accounting period spans a change in the rate. As the allowances are based on when qualifying items are purchased, if you are considering making a large investment please check with us if the full allowance is available.

### IMPORTANT CHANGES TO TAX 2019-20

#### Rental property loan interest charges

Please note that for 2018-19 deduction for loan interest relief on residential property is restricted by 50% and for 2019-20 this restriction is increasing to 75%. The remaining amount of loan interest will only be available as a basic rate tax reducer (20%). This change will increase the taxable profits of a rental business and may increase the amounts chargeable at higher tax rates.

#### Non-resident property disposals

There will be a 30 day deadline to notify HMRC of a UK property disposal if you are non-UK resident, even if there is no tax to pay.

Capital Gains tax for non-UK residents is also being extended from 6 April 2019 to cover the disposal of commercial property and indirectly held property.

### IMPORTANT DATES...

#### 31st July 2019:

Second payment on account for 2018/ 19 due

#### 6th October 2019:

Deadline for registration of tax returns

#### Main Rates for 2019-20

<b>Personal Allowance*</b>	£12,500
<b>Basic Rate Threshold</b>	£37,500
<b>Higher Rate Threshold</b>	£150,000
<b>Dividend Allowance</b>	£2,000

<b>CGT Annual Exempt Amount</b>	£12,000
<b>ISA Allowance</b>	£20,000

\*restricted if over £100,000