Grunberg
A Xeinadin Company

Tax Planning Checklist

2026/27

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Tax Planning Checklist

As the new tax year begins, it is important to utilise all the tax reliefs and allowances available before 5 April 2027 in order to minimise your liabilities.

That is why the team at Grunberg has compiled the following checklist of the key investment and tax planning ideas that you should be considering.

We hope that you find this checklist useful, but please bear in mind that this only provides a summary of the options you should be considering and not all options will be suitable for everyone. Therefore, for more information on any of the ideas outlined or for detailed advice tailored to your specific circumstances, please **contact us.**

Tax planning

	Yes	No
Business Tax		
Dividend Taxation: Have you utilised the 0% Dividend Tax Band of £500? Balancing dividends against regular pay requires careful consideration to set the right remuneration approach. Be aware that the dividend tax rate for basic and higher rate taxpayers has increased by 2% from 6 April 2026.	☐	☐
Corporation Tax: The Corporation Tax rate for companies with profits of less than £50,000 is 19% and could be as much as 25% for businesses with profits exceeding £250,000. Businesses with profits between these thresholds benefit from marginal rate relief to reduce their effective rate of Corporation Tax. You may want to bring down the profit to below £50,000 by bringing forward capital purchases, increase pension contributions and review whether remaining a company is still tax-efficient. You may also want to carry over losses into the new accounting period to reduce your overall levels of profitability.	☐	☐
Incorporation: If you are trading as a sole trader, partnership or Limited Liability Partnership should you consider incorporation to a Limited Company as a more tax-efficient business structure?	☐	☐

Tax Planning

	Yes	No
Business Tax (continued)		
Capital Allowances: Have you purchased any plant and machinery before your business year end to ensure these allowances are available a year earlier? The Annual Investment Allowance remains at £1 million, so you should make sure you make use of this and the other capital allowance schemes. This includes the permanent Full Expensing scheme, which provides a 100% First Year Allowance on capital expenditure on qualifying new plant and machinery capital for companies liable for Corporate Tax. Since April 2026, the main rate of Writing Down Allowances (WDA) for plant and machinery will be reduced from 18% to 14%. This change is accompanied by the introduction of a new 40% First-Year Allowance (FYA) for certain assets on or after 1 January 2026.	☐	☐
Research and Development Tax Credits: Have you claimed for all your eligible R&D projects to take advantage of the significant benefits available? The SME and R&D Expenditure Credit (RDEC) schemes merged from 1 April 2024, significantly simplifying the process. Under the scheme, a taxable credit which is a proportion (currently 20% headline rate, pre-tax) of the qualifying expenditure will be available for profitable companies and loss-making companies can benefit from a 16.2% net benefit under the merged scheme. Additional SME relief will be made available for loss-making small businesses considered to be R&D intensive, if 30% or more of expenditure relates to R&D.	☐	☐

Tax Planning

	Yes	No
Personal Tax		
Tax Freeze: The Government has continued to freeze rates on all personal tax allowances, including Inheritance Tax, until April 2031. This means that millions of taxpayers are likely to be pushed into higher tax bands as further inflation increases their wages and income. Have you considered how this will affect you?	☐	☐
Income Tax: The personal allowance is £12,570 but if your total income is above £100,000 than for every £2 above this figure the personal allowance is reduced by £1. This means the allowance is completely gone once you hit £125,140, creating an effective tax rate of 60% in that specific bracket. Are you taking steps to minimise the rate of tax you pay and preserving the personal allowance?	☐	☐
Property and Savings Income Tax: The Government will introduce new tax rates for property and savings income from April 2027 so that these are taxed at basic rate 22%, higher rate 42% and additional rate 47%. To ensure these rates are applied to the investments the personal allowance is allocated to earned income which has a starting rate of 20%.	☐	☐
Making Tax Digital: From April 2026, Income Tax will fall within the Making Tax Digital regime. The scheme will then apply to sole traders and landlords earning over £50,000, before being expanded in subsequent years to those with income of £30,000 or more in 2027, and £20,000 or more in 2028. Are you prepared?	☐	☐
Capital Gains: Have you used your annual exemption for 2026/27 of £3,000?	☐	☐

Tax Planning

	Yes	No
Personal Tax (continued)		
Exchange your Salary for Benefits: Consider exchanging part of your salary for payments into your pension contributions, to take you below the £100,000 threshold. From April 2029, the Government will move to cap the NI-exempt amount on salary sacrifice pensions at £2,000 per year, after which both employee and employer pay NI on the excess.	☐	☐
Inter-spouse Transfers: Have you optimised capital gains and income tax rates and allowances through these exempt transfers? For individuals whose annual income is between £100,001 and £125,140 this is an ideal way of reducing your tax liabilities as this preserves the personal allowance.	☐	☐
Marriage Allowance: Have you considered whether you or your spouse are entitled to claim the marriage allowance? This enables the spouse who has earnings below £12,570 to transfer 10% of their tax free personal allowance to the other, saving up to £252 in income tax.	☐	☐
Child Benefit Threshold: If you or your partner has an income exceeding £60,000, child benefit payments are reduced and withdrawn entirely if your income is more than £80,000. If you find yourself in this situation, have you considered seeking professional tax advice?	☐	☐
Childcare: There are a range of reliefs to support the cost of childcare. However, if your adjusted net income exceeds £100,000, you won’t qualify for the extended 30 free childcare hours or the Tax-Free Childcare scheme.	☐	☐

Tax Planning

	Yes	No
Personal Tax (continued)		
Company Car: Time for a new car? Have you thought about how switching to an electric vehicle (EV) could reduce the benefit in kind tax that you pay? The benefit in kind (Bik) for EV is 4% of the list price in 2026/27. **The Saving:** For a £45,000 car will give rise to BIK of £1,800, a 40% taxpayer would pay £720 tax for an EV in 2026/27, compared to over £5,400 in tax for an equivalent petrol model.	☐	☐
Directors Loans: Have you lent funds to your company? Interest may be payable tax efficiently within certain limits.	☐	☐
Stamp Duty Land Tax: if you are looking to purchase a home, or second home, have you considered stamp duty? If you are purchasing an additional property to your main home you may face a 5% surcharge on top of the current rates of stamp duty. Since 1 April 2025, the nil rate threshold has returned to £125,000. Meanwhile, the nil rate threshold for first time buyers is now £300,000. Finally, the maximum purchase price for which First-Time Buyers Relief can be claimed is £500,000.	☐	☐
Non-dom Status: Since 6 April 2025, the Government has replaced the current UK non-domiciled tax rules with a residence-based system. You must have been a non-UK tax resident for at least 10 consecutive years before arriving. For your first 4 tax years of UK residence, you pay 0% UK tax on foreign income and gains(FIG). Crucially, you can now bring this money into the UK (remit it) without any additional tax charge. If FIG relief is claimed you lose personal allowance and capital gains exemption.	☐	☐

Tax Planning

	Yes	No
Inheritance Tax Planning		
Personal Gifts: Making gifts reduces the size of your estate, hence the inheritance tax payable. There is now a nil rate band of £325,000 plus RNRB of £175,000, – which, in total, provides an IHT allowance of £500,000 per person, so a married couple could have a £1 million allowance, where any unused allowance is passed to the surviving spouse. Estates worth over £2 million will start to lose the RNRB, with it being withdrawn at a rate of £1 for every £2 over £2 million. Therefore, reducing your estate to below £2 million will enable the estate to obtain RNRB. Have you made gifts up to the annual inheritance exemption of £3,000 and if none was made in the previous year you can make a gift up to £6,000 before the end of the tax year. In addition, you can make a small gift of up to £250 to various individuals. Other gifts may be free of IHT but it is important to seek advice first. From the start of the 2027/28 tax year, the pension rules change fundamentally due to legislation first announced in the 2024 Autumn Budget. • Included in Estate: Most unused pension funds and death benefits will be “brought into the net. ” They will be added to the value of your other assets in your estate when calculating if you owe IHT. • The 40% Hit: If your total estate (including the pension) exceeds your available Nil-Rate Bands, the pension funds could be subject to 40% IHT. In addition, you may lose the residence nil rate band. • The “Double Tax Trap”: If you die after age 75, the pot is hit by 40% IHT first, and then whatever is left is taxed again at the beneficiary’s income tax rate when they withdraw it. This can lead to an effective tax rate of up to 67%”. Have you considered the impact of this change?	☐	☐

Tax Planning

Inheritance Tax Planning (continued)	Yes	No
Estate Planning: Do you have a Will? A Will is a hugely important element to managing your estate and final wishes. Whether you have a Will or not, you should seek advice on how to structure your assets in a tax-efficient manner, including benefits from Business Property Relief and pension assignments.		
Charitable Gifts: If you leave at least 10% of your net estate to charity a reduced rate of 36% rather than 40% applies and could save your family money.		
Trust Funds: There are many ways that a formal trust fund can protect and maximise your family's future assets. There have been a number of changes to the treatment of trust funds recently which are complex and could affect some people. If you are considering setting up a Trust, seek advice.		
APR and BPR: Looking further ahead, from April 2026, both Agricultural Property Relief (APR) and Business Property Relief (BPR) will be limited to the first £2.5 million of qualifying assets, which will receive 100% inheritance tax relief. Any value of these assets exceeding £2.5 million will be eligible for a reduced 50% relief, effectively halving the inheritance tax payable on the portion of the assets above this threshold. Following the 2025 Autumn Budget, this allowance can now be passed to a surviving spouse or civil partner, meaning that a couple on their death can now benefit from 100% APR/BPR on qualifying assets do not exceed £5 million. Have your considered your eligibility for these reliefs? Does your business exceed the threshold? Do you need to consider succession planning?		

Pensions

The information on this page relates to pensions and some of the surrounding tax implications, but is for general guidance only. Where pensions and investments are concerned,a financial adviser should be contacted.

	Yes	No
Protecting a Large Pension: The LTA has been abolished entirely as of April 2024 and replaced with the tax free lump sum allowance (LSA), which may restrict the tax-free cash you can get from your pension to £268,275 in most cases but if in older fixed protection plan the LSA is greater. The lump sum and death benefit allowance (LSDBA) will limit the total amount of tax-free cash you can get in your lifetime and when you die to £1,073,100, in most cases. You should consider how this affects your current later life plans.	☐	☐
Stakeholder Pensions: All UK residents including children can make annual net contributions of £2,880 per year (£3,600 gross) regardless of whether they have any earnings. It is also a very beneficial way of giving your children a helping hand for the future. If pension investments were to grow at a rate of 9% every year, investing £2,880 a year for your 10 year old child could result in a maximum pension pot of £1 million by the time he or she is 68 years old.	☐	☐
Pension Drawdown: If you are 55 or over, you may be able to start drawing down pension benefits now from a personal pension such as a SIPP, even if you are still working. You may take up to 25% tax-free with the rest taxed at your marginal rate. Anyone who is entitled to flexible drawdown and who is considering retiring overseas should seek advice on potential additional tax savings available to them. Be aware that from 6 April 2028, the normal minimum pension age will increase to 57. Will this affect your plans?	☐	☐
Annual Pension Allowance: Have you used your full pension allowance? You can invest up to £60,000 a year into a pension tax-free. The unused annual allowances of the previous three tax years may be available to use. Advice to be taken to ensure the allowance limit is not breached.	☐	☐

Pensions

	Yes	No
Make Tax-free Pension Contributions: Pension contributions made to employees by an employer are tax efficient. If you own the company you can claim a business tax deduction. Where employees exchange some of their salary in return for a larger pension contribution made by the employer both parties can save on national insurance contributions.	☐	☐
Retirement Planning: Have you ensured that you have a suitable plan in place to meet your needs in retirement? There are many tax reliefs and investment opportunities available that can increase your income and savings in retirement.	☐	☐

Investment Ideas

The information on this page relates to the tax implications of certain investments, but is for general guidance only. Where investments are concerned, a financial adviser should be contacted.

	Yes	No
ISAs: Have you used your maximum annual investment of £20,000? From April 2027, the overall limit will remain the same but the amount saved into a cash ISA will be capped at £12,000 for anyone aged younger than 65 to encourage greater investment in Stocks and Shares ISAs.		
Junior ISAs or Child Trust Fund: Has £9,000 been invested for any child under the age of 18?		
Help-to-buy ISAs: New accounts were closed from 30 November 2019, but those with existing accounts can still save but must make use of savings by 30 November 2029. 1 December 2030 is the final deadline to claim your 25% bonus. You must have completed your home purchase and your solicitor must have submitted the bonus application by this date.		
Lifetimes ISAs: Introduced in April 2017, you must be aged between 18 and 40 to open a Lifetime ISA. The Government will provide a bonus of 25% on the money you invest up to a maximum of £1,000 per year. You can save up to £4,000 a year, and can continue to pay into it until you reach 50. Could a Lifetime ISA benefit you?		
Tidying-up your Investments: Have you realised investments and bond gains or closed deposit accounts where funds may be attracting negligible rates of interest?		
Take Advantage of Share Schemes: If your company offers a share scheme, such as a share incentive plan (SIP) or a sharesave (SAYE) there are usually price discounts and tax incentives for taking part. Have you thought about SIP or SAYE?		

Investment Ideas

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	Yes	No
Enterprise Investment Scheme: Have you considered these investments, which offer income tax relief of 30%, as well as possible capital gains tax deferral? Take advice as 30% tax relief is only available if you have paid tax that covers this amount and if no income tax relief is claimed the EIS investment may incur capital gains when disposed.	☐	☐
Venture Capital Trust investment: Have you considered VCTs, which provide 'front end' income tax relief on subscriptions of up to £200,000, as well as tax-free dividends and capital gains tax reliefs? The current fiscal year the tax relief is 20%.	☐	☐
Seed Enterprise Investment Schemes: Although investing in an SEIS can carry more risk than an EIS or VCT, there is substantial tax relief available to offset a large part of potential losses. There are 2 CGT reliefs within the SEIS, these are reinvestment relief, where a gain arising in tax year 2026 to 2027 on a disposal of any asset is reinvested in shares in a company on which you get SEIS Income Tax relief and disposal relief, where shares in a SEIS company are disposed of after having been held for 3 years and certain criteria are met.	☐	☐
Community Investments: Share purchases or loans to a Community Development Finance Institution (CDFI) qualify for tax relief. Over a period of five years relief is provided at 5%, providing 25% relief in total.	☐	☐
Life Assurance Bonds: Insurance backed bonds allow 5% of the original capital to be withdrawn each year tax-free. The 5% tax-free withdrawal is still attractive to anyone whose level of income means they will lose their personal allowance and pay 45% income tax. If you want invest in these bonds you will have to consult an Independent Financial Advisor. This investment can also be used for inheritance tax planning and if you are interested, please contact your tax advisor.	☐	☐
Offshore Bonds: As with UK bonds, 5% of the original capital invested can be withdrawn each year tax-free. Although they are taxed in full when disposed of they provide a useful way of deferring tax. Have you considered offshore bonds?	☐	☐

Succession Planning

	Yes	No
Selling a Business: Are you thinking about selling a business or part of a business as part of your succession plan? You need to consider the personal and business tax implications of a sale. The sale of shares could lead to capital gains while selling part of your business or assets could create chargeable gains for Corporation Tax.	☐	☐
Management Buyout: If you are seeking a management buyout the structure of the transaction could have a substantial impact on how much tax each party pays. Have you considered how the new management will be remunerated? Will the sale be achieved through shares or assets? Are deal costs tax-deductible? Is Stamp Duty due on the transfer or sale of property?	☐	☐
Business Asset Disposal Relief: Since 6 April 2026, the rate of tax where the relief is claimed has changed from 14% to 18%. Have you considered the impact of this change?	☐	☐
Passing a Business on to a Family Member: Gifting a business or shares in a business to a family member is still considered a disposal for Capital Gains Tax. Depending on when you pass on after gifting a company, the value of its shares and assets could also be included in calculations for Inheritance Tax but you could take advantage of Business Property Relief which reduces the value of a business or its assets by up to 100%. Have you considered the tax implication of transferring your business to family?	☐	☐
Employee Ownership Trusts: If you have been considering setting up an Employee Ownership Trust as part of your succession plans, be aware that the Capital Gains Tax (CGT) relief for selling shareholders has been reduced from 100% to 50% for disposals on or after 26 November 2025. Have you considered an Employee Ownership Trust?	☐	☐

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