



# YEAR-END TAX PLANNING CHECKLIST 2024/25

With 5 April 2025 fast approaching this checklist is designed to help to plan for the tax year-end and make the best use of the allowances and reliefs available to you in the year. This checklist lists some of the key areas you should consider for your year-end planning. However, It is essential you talk to us in good time to create a tailored action plan suitable for your personal circumstances.

# Utilisation of allowances.

## Personal Allowance (PA)

The first £12,570 of a taxpayer's income is generally tax-free by virtue of the PA. However, your PA reduces by £1 for every £2 that your adjusted net income is above £100,000, reducing to nil once your income reaches £125,140. Thus, where possible, consider deferring taxable income to ensure this does not exceed £100,000. Alternatively, you could consider making charity donations or contributing towards your personal pension. (Please contact us for a full review before taking further action).

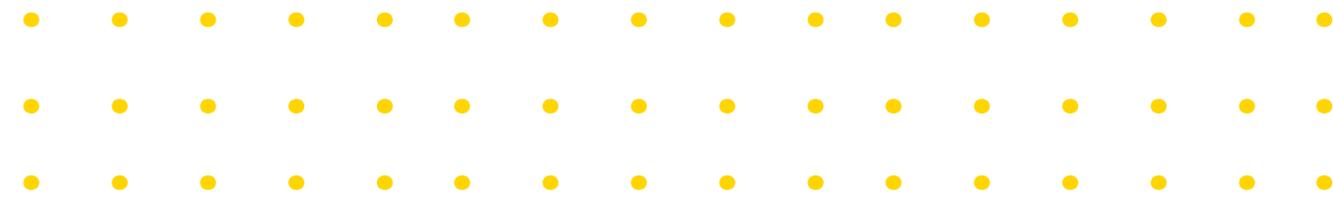
## Savings Allowances

£1,000 and £500 for basic and higher rate taxpayers, respectively. There is no savings allowance for additional rate taxpayers.

## Dividend Allowance

Have you used your dividend allowance of £500, available to all taxpayers? The annual dividend allowance was reduced from £1,000 on 6 April 2024.





## £5,000 Starting rate for savings

If your other income (for example employment or pension) is below £12,570, but you earn income through interest on savings, you can qualify for the savings allowance, meaning you could earn as much as £19,070 without a tax liability in 2024/25.

## Marriage allowance

If both you and your spouse/civil partner are basic rate taxpayers, you can potentially transfer £1,260 of your Personal Allowance to your partner, saving tax by up to £252.



	CONSIDERED	ACTION REQUIRED
Personal Allowance	<input type="checkbox"/>	<input type="checkbox"/>
Savings Allowance	<input type="checkbox"/>	<input type="checkbox"/>
Dividend Allowance	<input type="checkbox"/>	<input type="checkbox"/>
£5,000 Starting Rate for Savings	<input type="checkbox"/>	<input type="checkbox"/>
Marriage Allowance	<input type="checkbox"/>	<input type="checkbox"/>



# Personal Tax – General.

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## Additional rate of tax

The threshold for the additional rate of Income Tax was reduced from £150,000 to £125,140 from 2023/24 onwards. Income above this threshold is taxed at 45% (savings and other income) or 39.35% (dividend income).

## High-income child benefit tax charge

From 6 April 2025 child benefit will increase by 1.7%. The weekly rate for the first child will rise to £26.05, and for additional children to £17.25.

You will start to lose the child benefit if you or your partner have an individual income that's over £60,000. The benefit will be wiped out entirely when they reach £80,000.

## Gift Aid

Consider claiming gift aid on your charitable donations. Donations made under the Gift Aid Scheme extend your basic rate band by the donation grossed up by 100/80. This will ensure that more income is subject to tax at the basic rate rather than at higher rates. There are no limits to the amount of gift aid donations you can make as long as not more than four times your tax bill for the year.

## PAYE notice of coding

If you are employed or have a pension, it is worth checking your 2024/25 PAYE notice of coding, which HMRC should now have issued. This will minimize the risk of excessive tax being withheld from payments made over the next year.

## Inter-spouse transfers

Have you considered equalizing income where possible to fully utilize income tax allowances and threshold bands?

## OMB Remuneration Strategy

With the rise in the Corporation Tax and changes to the personal tax band thresholds and the continued higher rates of income tax on dividends, do you need to re-evaluate your profit extraction strategy?



	CONSIDERED	ACTION REQUIRED
Additional rate of tax	<input type="checkbox"/>	<input type="checkbox"/>
High-income child benefit tax charge	<input type="checkbox"/>	<input type="checkbox"/>
Gift Aid	<input type="checkbox"/>	<input type="checkbox"/>
PAYE Notice of Coding	<input type="checkbox"/>	<input type="checkbox"/>
Inter-spouse Transfers	<input type="checkbox"/>	<input type="checkbox"/>
OMB Remuneration Strategy	<input type="checkbox"/>	<input type="checkbox"/>



# Pensions.

## Maximise pension contribution

If using pension schemes as part of your retirement plan, have you maxed out your annual contribution for 2024/25?

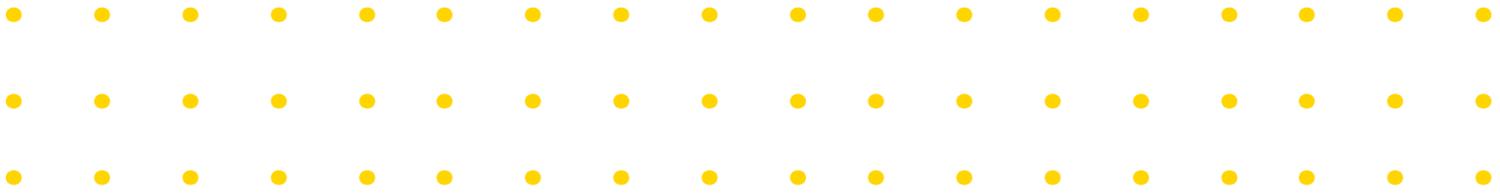
## Pension allowance brought forward

Have you reviewed your unused allowance from the last three tax years? Potentially, you can use your unused allowance from tax years 2022, 2023 and 2024 in the tax year 2024/25.

## Employer contributions

Are you in a scheme that means you should be claiming higher rate tax relief? Should you look to make a salary sacrifice for future pension contributions?





# Inheritance Tax changes

From 6th April 2027 most unused pension funds and death benefits will be included within the value of your estate for IHT purposes. The typical rule of spending your pension last will no longer apply and may be more beneficial to draw on pensions earlier than previously planned.

# Contribution to a pension scheme for a family member

Are you aware you can make an annual net pension contribution of up to £2,880 (£3,600 gross) into a pension scheme for a family member if they do not have relevant UK earnings (for example if your spouse is not employed)? You can also set up a Junior SIPP to help save for your child.



	CONSIDERED	ACTION REQUIRED
Maximise Contributions	<input type="checkbox"/>	<input type="checkbox"/>
Allowance brought forward	<input type="checkbox"/>	<input type="checkbox"/>
Employer contributions	<input type="checkbox"/>	<input type="checkbox"/>
Inheritance Tax changes	<input type="checkbox"/>	<input type="checkbox"/>
Family member contributions	<input type="checkbox"/>	<input type="checkbox"/>

# Investment ideas

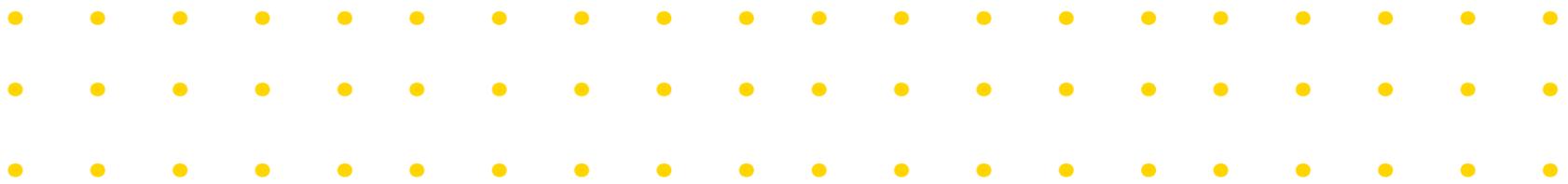
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## Individual Savings Account (ISA)

Have you utilised your annual ISA allowance of £20,000 to allow investment income and capital growth to be generated tax free?

## Junior ISA

Do you need to consider a Junior ISA? These are long-term, tax-free savings accounts for children (under 18), and you can pay up to £9,000 before the end of the tax year into your children's ISA.



## Have you considered tax-efficient investments such as SEIS, EIS and VCTs?

**EIS** offers income tax relief of 30% on investments up to a maximum of £1m and allows you to defer capital gains tax. Please note that capital gains on disposal of the EIS shares are not subject to CGT after three years.

**SEIS** offers income tax relief of 50% on investments up to a maximum of £100k and can provide you with additional CGT relief. Disposals of SEIS-qualifying shares are not subject to CGT after three years.

**VCT** offers income tax relief on subscriptions of up to £200K, at 30% as well as tax-free dividends and capital gains tax reliefs.

**Social Investment Tax Relief (SITR)** is intended to encourage investments in social enterprises. You can obtain income tax relief of 30% on up to £1m of investment, provided you retain your investment for three years. Gains on the investment are also free of CGT.



	CONSIDERED	ACTION REQUIRED
Individual Savings Account	<input type="checkbox"/>	<input type="checkbox"/>
Junior ISA	<input type="checkbox"/>	<input type="checkbox"/>
EIS	<input type="checkbox"/>	<input type="checkbox"/>
SEIS	<input type="checkbox"/>	<input type="checkbox"/>
VCT	<input type="checkbox"/>	<input type="checkbox"/>
Social Investment Tax Relief (SITR)	<input type="checkbox"/>	<input type="checkbox"/>

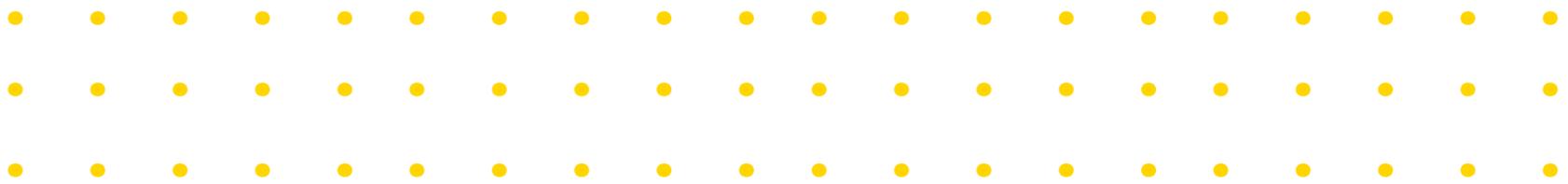
# Capital Gains Tax.

## Annual Exemption (AE)

Have you used your AE for 2024/25 of £3,000? The annual exemption cannot be carried forward or transferred.

## Inter-spousal transfers

Assets transferred between married couples, or civil partners do not normally give rise to a capital gains tax charge. Consider transferring assets to your spouse or civil partner, to utilise their annual exemption or capital losses.





# CGT Reliefs

Do you need to claim any reliefs, for example:

## Business Asset Disposal Relief (BADR)

If you are contemplating the sale of your business make sure you have arranged your affairs such that you can claim BADR. Under BADR qualifying gains of up to £1m are taxable at the reduced rate of 10%. However, from 6 April 2025 the CGT rate will increase from 10% to 14%, with a further increase from 6 April 2026 to 18%. Please contact us to review the qualifying conditions for the relief.

## Private Residence Relief (PPR)

Have you disposed of a property that you have not lived in throughout ownership? There are reliefs available that may still exempt the gain. Please note if you dispose of a property this needs to be reported online within 60 days of completion.

## Holdover relief

Have you made any gifts of qualifying property that could allow the gain to be deferred on?



	CONSIDERED	ACTION REQUIRED
Annual Exemption	<input type="checkbox"/>	<input type="checkbox"/>
Inter-spousal transfers	<input type="checkbox"/>	<input type="checkbox"/>
Business Asset Disposal Relief	<input type="checkbox"/>	<input type="checkbox"/>
Private Residence Relief	<input type="checkbox"/>	<input type="checkbox"/>
Holdover relief	<input type="checkbox"/>	<input type="checkbox"/>





# Inheritance Tax Planning

## Year-end tax planning

### Annual exemption

Have you utilised your annual exemption of £3,000? This can be carried forward for one year only. Annual exemptions can be a useful tool to slowly distribute cash during an individual's lifetime without triggering Inheritance Tax (IHT).

### Normal expenditure out of income

Should you be making a gift out of normal income? Significant gifts can still escape IHT if made as part of your normal expenditure i.e. if it is habitual and occurs year on year.

### Gifts on marriage

Lifetime gifts on marriage are exempt from inheritance tax and can be a good way to transfer valuable assets (say, a family heirloom) to your kin. The amount of exemption depends on the relationship between the donor and the recipient as follows: gift to your child- £5K, to grandchild- £2.5K any other individual example niece or nephews- £1K.



	CONSIDERED	ACTION REQUIRED
Annual Exemption	<input type="checkbox"/>	<input type="checkbox"/>
Normal expenditure out of income	<input type="checkbox"/>	<input type="checkbox"/>
Gifts on marriage	<input type="checkbox"/>	<input type="checkbox"/>

# Inheritance Tax Planning

## Long-term planning - An introspective review

### Inheritance tax planning

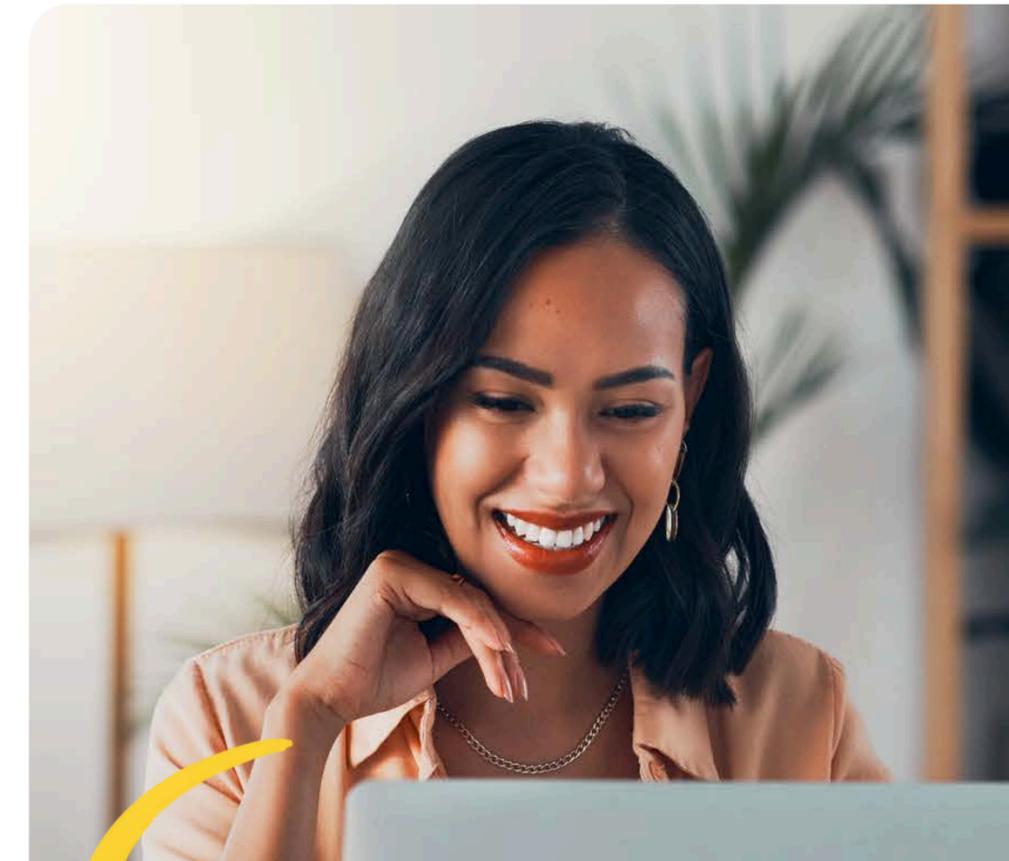
- Is setting up a trust a suitable tax planning option for you? If so what type of trust would be best suited for me and my family?
- Should you explore the option of setting up family investment companies (FICs)?

### Review of tax efficiency of your Will

- Do you have a written Will in place?
- Is the Will tax efficient?

### Succession planning

- Are you planning on selling your business? If so, what is the most tax-efficient way for your situation to proceed with the sales agreement?
- Are you planning to introduce the next generation of family members to the business ownership structure? What are the CGT, income tax and IHT implications and what is the most efficient way to proceed with your situation?



	CONSIDERED	ACTION REQUIRED
Inheritance tax planning	<input type="checkbox"/>	<input type="checkbox"/>
Review tax efficiency of Will	<input type="checkbox"/>	<input type="checkbox"/>
Succession planning	<input type="checkbox"/>	<input type="checkbox"/>

# Inheritance Tax Planning

## New Changes to APR/BPR

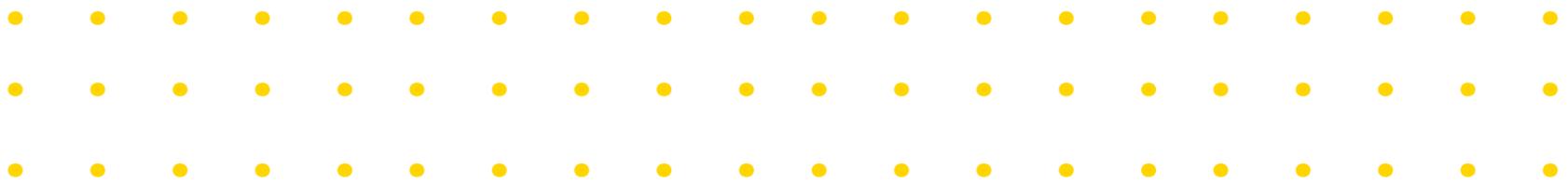
Currently, relief of up to 100% is available on qualifying agricultural and business assets, regardless of their value.

Have you considered how the changes to these reliefs from the 6th April 2026 will impact your current succession strategies? From the 6th April, these reliefs will be capped at £1 million of combined agricultural and business property. The remaining value will then qualify for a 50% relief.

Previous estate planning strategies involving qualifying APR/BPR assets may need to be reconsidered. We advise speaking with a member of the Xeinaadin team if you require further information.



	CONSIDERED	ACTION REQUIRED
APR/BPR changes	<input type="checkbox"/>	<input type="checkbox"/>



# Business Tax.

## Accounting dates

For sole traders and partnerships, will you be impacted by the Basis Period Reform and do you need to plan for this?

## Incorporation

Have you recently considered if tax can be saved by incorporating your business?

## Capital Allowances

If you're thinking of purchasing new equipment, do you need to purchase this before 5 April 2025 to maximise tax allowances?

## Benefits in Kind (BIK)

Do you own a double cab pick-up truck? From 6 April 2025 they will no longer be classified as vans for BIK purposes or capital allowance purposes.

## Employer's National Insurance Contributions

Are you prepared for the reduction in the employer's NIC threshold from £9,100 to £5,000 or considered the increase in tax from 13.7% to 15%? Do you need to consider your remuneration strategies moving forwards?



## Long-term planning- An introspective review

### Annual Investment Allowance (AIA)

The AIA has been permanently set at £1m limit. Thus, businesses can continue to invest in plants and machinery in the future without complex tax calculations. In addition, are you taking full advantage of the new full expensing rules?

### Research & Development (R&D)

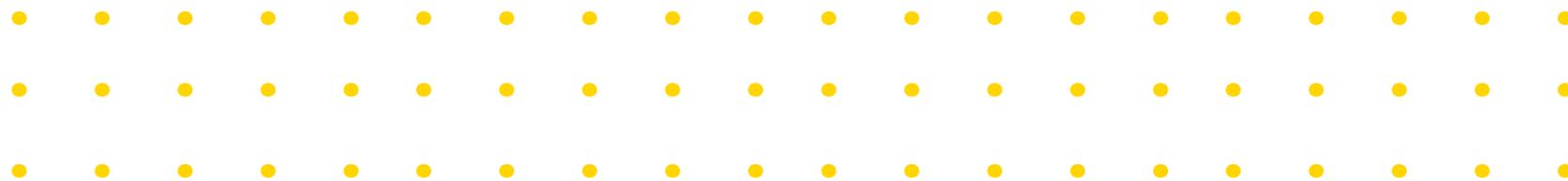
The SME scheme and the RDEC (primarily claimed by large companies) will merge from 1 April 2024, giving a company tax credit of 20% that can be recognised 'above the line' as taxable income, with a notional tax at 19% applying to loss-making companies. For profit-making companies paying tax at the main rate, the R&D relief continues to be 15p per £1 of qualifying spend.

### Corporation tax (CT)

The main rate of CT of 25% introduced from 1 April 2023, continues to apply for 2024/25 for companies with profits above £250,000, with the 19% rate remaining in place for smaller companies under the Small Profits Rate of £50,000. If you are running a medium-sized company, you may want to re-evaluate your profit extraction strategy and if it is still beneficial for you to run your business via a company.



	CONSIDERED	ACTION REQUIRED
Accounting dates	<input type="checkbox"/>	<input type="checkbox"/>
Incorporation	<input type="checkbox"/>	<input type="checkbox"/>
Capital allowances	<input type="checkbox"/>	<input type="checkbox"/>
Benefits in Kind (BIK)	<input type="checkbox"/>	<input type="checkbox"/>
Employer's NI Contributions	<input type="checkbox"/>	<input type="checkbox"/>
Annual investment allowance	<input type="checkbox"/>	<input type="checkbox"/>
Research & Development	<input type="checkbox"/>	<input type="checkbox"/>
Corporation Tax	<input type="checkbox"/>	<input type="checkbox"/>





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