



# WHY ACTING EARLY IN THE NEW TAX YEAR MATTERS

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Since 1800, the UK tax year has started on 6 April. The history behind it may be complicated, but one thing is clear, this is the point at which your allowances reset.

For many people, tax planning is something that gets pushed towards the end of the year. But in reality, the earlier you act, the greater the potential benefit.

Putting plans in place now means more time for your money to potentially grow tax-efficiently, avoids last-minute decisions, and help ensure you don't miss valuable opportunities.

If you'd like to start the new tax year with a clear plan, your Continuum adviser can help you make the most of your allowances from day one.

## Make the most of your ISA allowance

The ISA allowance remains at £20,000 for the 2026/27 tax year, allowing your savings and investments to grow free from income tax and capital gains tax.

From April 2027, changes to Cash ISA limits mean planning ahead is becoming more important. For those under 65, the amount you can allocate to Cash ISAs will reduce, making this tax year a valuable opportunity to maximise flexibility.

Using your ISA allowance early in the year means your investments have more time to potentially grow within this tax-efficient wrapper.

## Review your pension contributions

The annual pension allowance remains at £60,000, including personal and employer contributions.

However, for higher earners, this may be reduced through the tapered annual allowance. Tapering applies when threshold income exceeds £200,000 and adjusted income exceeds £260,000. The annual allowance is reduced by £1 for every £2 of adjusted income above £260,000, down to a minimum of £10,000 for those with adjusted income of £360,000 or more

The removal of the Lifetime Allowance means there is now no cap on the size of your pension pot, creating further opportunities to revisit your long-term strategy.

If you're unsure how much you can contribute or how pensions fit into your overall plan, we can help you review this in detail.

## Don't overlook other key allowances for tax year 2026/27

A number of smaller allowances can still play an important role in your planning:

- Capital Gains Tax allowance (£3,000): Careful planning could help you use this efficiently over time
- Dividend allowance (£500): With tax rates increasing, structuring income is more important than ever
- Personal Savings Allowance: Up to £1,000 of tax-free interest for basic-rate taxpayers (£500 for higher rate taxpayers and £0 for additional rate taxpayers)

While each allowance may seem modest in isolation, used together they could have a meaningful impact on your overall tax position.

## A more proactive approach to tax planning

Tax rules are becoming increasingly complex, and the scope for error or missed opportunity is growing.

Taking action early in the tax year allows you to plan with intent, rather than reacting later under pressure.

If you'd like help putting a clear, tax-efficient plan in place for the year ahead, speak to our team today.

## Sources

- [Move end of tax year to March 31, says Government adviser](#)
- [Cash Isa annual allowance slashed to £12,000 - what you need to know - Which?](#)
- [Tapered annual allowance explained 2025/26 | MoneyHelper](#)

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