

ISA top-ups – for clients who have invested in an ISA in the current tax year but haven't used up their full allowance

Email/letter guidance

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Dear <Client Name>

Maximise your individual savings allowance (ISA) – use it or lose it

Putting money aside tax efficiently is an easy way to make it work that bit harder for you, particularly with the cost of living challenges facing us all. <And it can be especially useful for those who have moved into a higher tax band and could lose some, or all, of their personal savings allowance.>

You can invest up to £20,000 in a stocks and shares ISA or a cash ISA. Or you can mix and match by adding to both, as long as the total combined amount doesn't go over the annual allowance of £20,000.

It's not far from the end of the tax year, and I can see that you still have an unused allowance of <EXXXXX> available. It's a good time to consider making the most of this tax-efficient way to save as you won't pay income or capital gains tax on your ISA profits. And remember, if you don't use your allowance before 5 April, you lose it.

Any money invested in a stocks and shares ISA should be money that you don't need in the short term – typically the next five years. The value of your investment can however go down as well as up so you might not get back the amount you put in. Also, tax rules can change and the impact of taxation (and any tax relief) depends on your circumstances.

Do you need to take any action?

It's not just about ISAs. It's also important to consider how external factors such as reduced or frozen allowances, together with high inflation, could impact your finances and what action you could take before the end of the tax year.

So here are some common questions that I'm asked – that might help you consider if you need to take any action.

- Should I consider saving money into an ISA to make the most of this year's allowance?
- How much can I pay into my pension?
- Would it be a good idea to put a lump sum into my pension before the end of the tax year if I can afford to? Could it reduce the tax I need to pay?
- Would I need to pay capital gains tax if I decide to sell any of my assets?
- How much can I gift to my loved ones before I have to pay inheritance tax?

Relationship clients:

As we've discussed this previously, please treat this as a gentle reminder to take advantage of tax-efficient savings. If you're interested in talking more about how you could make the most of your ISA allowance, or any other allowances for that matter, before the end of the tax year on 5 April, please give me a call or email me. If I don't hear from you, I look forward to speaking to you at your next review, or any time before if you'd like help with something else or have any questions.

Other clients:

If you're interested in finding out how you could make the most of your ISA allowance, or any other allowances for that matter, before the end of the tax year on 5 April, please give me a call or email me.

Best wishes

<Adviser Name>

<Firm Name>

<Business footer>