

12 days of Christmas tax tips



The Christmas period is a great time to look ahead to the future. Here are our 12 tax tips for your succession and tax planning next year:

1. Use your £3,000 annual exemption to make tax free gifts each tax year and reduce your estate for Inheritance Tax (IHT) purposes. No need to be 'elfish this Christmas!
2. Give unlimited small cash gifts of £250 to multiple beneficiaries (just not to those who received a gift from your annual exemption). Go on, branch out!
3. Christmas wedding? You can give up to £5,000 to your children tax free! A round of santa-plause, please!
4. If you can maintain your standard of living without dipping into capital, you should consider regularly gifting your surplus income. Don't fir-get to keep records though!
5. Think ahead and consider gifting substantial assets (above £3,000). If you survive seven years from the gift, it is free from IHT. 'Tis the season to be jolly generous!
6. Make sure you use your £20,000 ISA allowance. There's no Income or Capital Gains Tax to pay! Ring any (sleigh) bells?
7. Forget shifting the pounds in 2021 and instead consider shifting income-generating assets to your spouse if they pay Income Tax at a lower tax rate than you. Another Yule-sful way to save tax!
8. Make regular pension contributions to reduce your taxable income and preserve your personal allowance – tree-mendous!
9. Let them know it's Christmas time by making tax free gifts to charities and consider adding Gift Aid to your donations so charities can benefit from an Income Tax reclaim at no extra cost to you – you might even obtain a reduction yourself if you are a higher rate tax payer. Sleigh, what?
10. Review your business and agricultural assets to see if they qualify for Business or Agricultural Relief from IHT. The reliefs can be up to 100% – careful tax planning is snow joke!



11. Feeling santa-mental this year? Provide for your family's long term financial needs by setting up a tax efficient trust for future generations.
12. Deciding to make a Will or reviewing your existing one is an easy New Year's resolution to stick to. There might be more ways to save tax so do give us a (jingle) bell!

If you would like to discuss your succession and tax planning, please contact [Francesca Sassoli](#) on 01892 506354 or at francesca.sassoli@cripps.co.uk.

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