

Capital Gains Tax



Wellesley

How can I make use of my annual exemption before it's reduced?

Here's an example. Let's say you have a £25,000 gain on a share portfolio.

This example is based on a higher rate taxpayer.

Disposal over three tax years

Tax Year	Gain Realised	Annual Exemption	Excess	CGT charge @24%
2022/23	£12,300	£12,300	£0	£0
2023/24	£6,000	£6,000	£0	£0
2024/25	£6,700	£3,000	£3,700	£888

Full disposal in the 2024/25 tax year

Tax year	Gain Realised	Annual Exemption	Excess	CGT charge @24%
2024/25	£25,000	£3,000	£22,000	£5,280

In this example £4,392 was saved in tax by using the annual exemptions each year.

Three things to consider:

1

You can't carry forward any unused exemption from the previous year. However, by carefully planning ahead and releasing gains gradually over a number of years, you can look to fully utilise your annual allowance.

2

Holding assets in an ISA or Pension will make them exempt from CGT.

3

It's possible to transfer assets to your spouse or civil partner so you can both make use of your individual exemptions.

The deadline for making the most of your current CGT exemption is **5th April**. Get in touch to discuss this and ensure you don't end up paying too much or too little.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

The levels and bases of taxation, and reliefs from taxation, can change at any time and are generally dependent on individual circumstances.