



Siobhan Record  
Our Lifestyle's Financial Expert

# TAX FREEDOM DAY: HOW SAVVY ARE YOU?

Tax Freedom Day is the day when Britons stop paying tax and start putting their earnings into their own pocket. In 2022, data from the Adam Smith Institute (ASI) estimated that British taxpayers worked a gruelling 159 days for the taxman before they started earning for themselves. We are effectively working for the government for the first five months of the year!

To keep your Tax Freedom Day as low as possible you must ensure you are using the available tax reliefs as effectively as possible.

Is your tax code right? Are you claiming the correct allowances? Are your affairs arranged in the most effective way if you are married and one of you is a non or lower tax payer?

**Marriage allowance** – you can transfer £1,260 of your unused personal allowance to your husband, wife or civil partner reducing their tax by up to £252.

**ISAs** - Interest rates have now risen and hence it is all the more important to keep your savings sheltered in a tax-free ISA. You have an ISA allowance of £20,000 each year, which can you use across a cash or stocks

and shares ISA.

**Pensions** – pension contributions attract tax relief at your marginal tax rate and therefore are a great way of reducing your tax bill while at the same time building a fund for the future.

**Capital Gains Tax Allowance (CGT)** – despite the reduction to £6,000 in this tax year and further reduction to £3,000 next tax year, making use of your annual CGT allowance can still help you to save tax on the eventual sale or gift of an asset. On the sale of an asset, married couples and civil partners can also transfer assets into joint names, effectively pooling both tax free allowances.

Maximising your available tax allowances can be complex; getting the basics in place will help to make your Tax Freedom Day come as early as possible.

**If you are interested in knowing more about how I work and you have investments of over £200,000 why not give Jo a ring on 01562 745730 to arrange a no obligation 30-minute free meeting in our office.**

*The information in this article does not constitute investment advice; you must not rely on the content when making investment decisions without taking advice. Past performance is not a reliable indicator of future results. The value investments and the income from them, may fall or rise and investors may get back less than they invested.*

Our clients have rated us as one of the top advisors in the country



- Want to really understand what you have?
- Want to leave a legacy for your children and grandchildren?
- Want to know how much you need to be able to retire securely, maintaining a good standard of living?



**cre8**  
Wealth Management

9 Church Street, Kidderminster, Worcestershire, DY10 2AD T:01562 745730

[www.cre8wm.co.uk](http://www.cre8wm.co.uk)

cre8 wealth management (trading name of Ineo (UK) Limited) is authorised and regulated by the Financial Conduct Authority. FCA number 597048.