



Tax Summary

2026/27



Get ahead for the new tax year

Tax is an unavoidable part of investing, but smart planning can help you keep more of the returns you've worked hard to build. A series of changes announced in November's Budget will increase the tax burden on dividends, savings interest and capital gains for many investors from April 2026 onwards. These changes mean it's more important than ever to make full use of tax-efficient allowances.

Read on for a snapshot of the key tax rates and allowances for the coming tax year.

Making the most of your tax allowances (2026/27)

Income Tax (England, Wales and Northern Ireland)

Band	Taxable income	Tax rate
Personal allowance*	Up to £12,570	0%
Basic rate	£12,571 to £50,270**	20%
Higher rate	£50,271 to £125,140	40%
Additional rate	Over £125,140	45%

*Your Personal Allowance may be greater than £12,570 if you claim Marriage Allowance or you are eligible for the Blind Person's Allowance. Those earning more than £100,000 will see their Personal Allowance reduced by £1 for every £2 earned over £100,000 and is zero if your income is £125,140 or above.

**Assuming a standard Personal Allowance of £12,570

Income Tax (Scotland)

Band	Taxable income	Tax rate
Personal allowance*	Up to £12,570	0%
Starter rate	£12,571 to £16,537**	19%
Basic rate	£16,538 to £29,526	20%
Intermediate rate	£29,527 to £43,662	21%
Higher rate	£43,663 to £75,000	42%
Advanced rate	£75,001 to £125,140	45%
Top rate	Over £125,140	48%

*As with the rest of the UK, those earning more than £100,000 will see their Personal Allowance reduced by £1 for every £2 earned over £100,000 and is zero if your income is £125,140 or above.

**Assuming a standard Personal Allowance of £12,570

Savings income

Band	Rate
Basic rate	20%
Higher rate	40%
Additional rate	45%

From 2027-28, the savings rates will increase by 2%

Personal Savings Allowance remains:

- £1,000 (basic rate)
- £500 (higher rate)
- £0 (additional rate)

Capital Gains Tax (CGT)

Annual exempt amount	£3,000
Band	Tax rate on Capital Gains
Basic rate	18%
Higher rate and additional rate	24%

Pensions

Annual Allowance*	£60,000
Tax relief:	
Basic rate investors	20% relief
Higher rate and additional rate	Relief available depending on income
Pension Lump Sum Allowance	£268,275

*The annual allowance may be reduced to a minimum of £10,000 depending on your circumstances. Our Guidance Team is available on 0800 028 3200 if you have any queries.

Dividends

Band	Rate
Basic rate	10.75%
Higher rate	35.75%
Additional rate	39.35%
Dividend Allowance	£500

ISAs

ISA	Tax free amount
Stocks and Shares/Cash* ISA	£20,000
Junior ISA	£9,000
Lifetime ISA**	£4,000 (excluding government bonus)
Child Trust Fund	£9,000

*The Cash ISA limit will be reduced to £12,000 for those aged under 65 from April 2027.

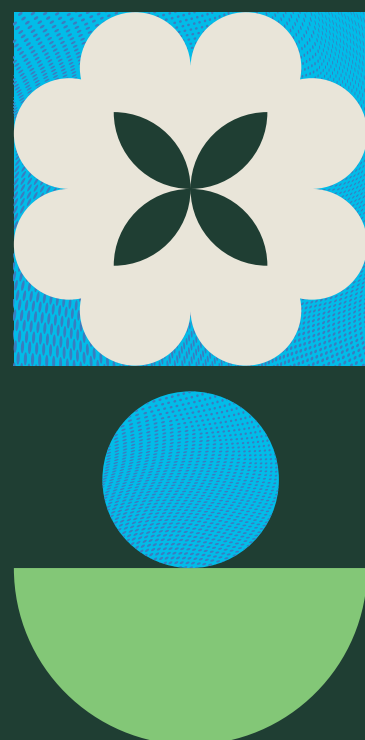
**The government will publish a consultation this year on the implementation of a new, simpler ISA product to support first time buyers to buy a home. Once available, this new product will be offered in place of the Lifetime ISA.

Inheritance Tax (IHT)

Nil-Rate Band (NRB)	£325,000
Residence Nil-Rate Band (RNRB)	Up to £175,000

Both thresholds remain **frozen until 2031**, meaning more estates may become liable as asset values rise.

If you have any queries,
please do not hesitate to contact
us on 0800 028 3200,
Monday to Friday 9am-5pm
or you can email us at
mywealth@wealthatwork.co.uk



Date of publication: 03/03/2026. Content is for information only and does not constitute financial advice. Tax treatment depends on individual circumstances and is subject to change.

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