Cranleys
CHARTERED ACCOUNTANTS

CRANLEYS' CLEVER CHECKLISTS · No. 04 · PERSONAL TAX

Savings, Dividends and Investment Income Checklist 2026/27

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

Dividends are taxed at 10.75%, 35.75% and 39.35% in 2026/27 after a £500 allowance. Savings use a £1,000 or £500 personal savings allowance, and a starting rate band up to £5,000 for lower earners. Income is stacked in order: earnings, then savings, then dividends.

THE KEY FIGURES

2026/27 figure	Amount
Dividend allowance	£500 at 0%
Dividend rates	10.75% basic, 35.75% higher, 39.35% additional
Personal Savings Allowance	£1,000 basic, £500 higher, £0 additional
Starting rate for savings	0% on up to £5,000
Savings rates	20%, 40%, 45% (22%, 42%, 47% from April 2027)

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The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Is income stacked in the right order?**	Earnings come first, then savings, then dividends. The order decides which allowance you can use.	Self Assessment calculation
☐	**Did you cross the £50,270 line and lose allowance?**	Moving into higher rate cuts the Personal Savings Allowance from £1,000 to £500. Check bonus and dividend timing.	Year-end income summary
☐	**Is the dividend allowance treated as a 0% band?**	It does not reduce adjusted net income for the £100,000 taper or child benefit charge.	Return, adjusted net income calculation
☐	**Are foreign dividends reported with credit?**	Report on the foreign pages. Credit is capped at the UK tax on the same income. Keep withholding certificates.	Tax vouchers, dividend statements
☐	**Are ISA and Premium Bond returns excluded correctly?**	ISA income and Premium Bond prizes are tax free. Taxable interest should still be reported even if the bank sends no statement.	Bank interest certificates, ISA statements
☐	**Are joint accounts split correctly?**	Joint income is shared 50:50 for spouses unless you have declared otherwise. Use the lower earner's allowances.	Account statements, declaration



MY PRO TIP

dividends sit on top of your other income. Order matters.

A worked example

A higher rate taxpayer receives £20,000 of dividends. After the £500 allowance, £19,500 is taxed at 35.75%, a bill of £6,971. At last year's 33.75% it would have been £6,581, so the rate rise costs about £390. Paying the same £20,000 as company pension contributions, rather than dividends, would avoid this tax, which is why the order of choices matters.

The trap to avoid

Forgetting savings interest because the bank did not send a statement. HMRC receives bank data and matches it to your return. A missing £2,000 of interest triggers a letter.

Test your accountant

One question that tells you if you have the right adviser:

Which allowances did you use on my savings and dividends, and in what order did you stack my income?

What has changed recently

- Dividend rates rose by 2 percentage points from April 2026.
- Savings income rates are due to rise by 2 percentage points from April 2027, following the 28 October 2026 Budget.
- Directors taking dividends should review the corporation tax checklist for the director's loan trap.

Questions I get asked

What are the dividend tax rates for 2026/27?

10.75% for basic rate taxpayers, 35.75% for higher rate and 39.35% for additional rate, after a £500 dividend allowance.

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How much interest can I earn tax free?

Up to £1,000 if you are a basic rate taxpayer, £500 if higher rate, nothing if additional rate. Lower earners may also have a £5,000 starting rate band.

Does the dividend allowance reduce my income for the £100,000 trap?

No. It is a 0% rate band, not a deduction, so the dividends still count toward adjusted net income.

Do I have to declare interest from a joint account?

Yes, your share. For spouses it is usually 50:50. Each of you reports your half if it is taxable.

The 9 CAD Keys link: Analysis & Positioning

Analysis & Positioning is knowing where your money comes from and which source pays you best after tax. Dividends, interest and pay are not the same.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next

Tax checklist 01
Income Tax and Personal Allowance Checklist 2026/27

Tax checklist 07
ISA, Junior ISA and Lifetime ISA Checklist 2026/27

Tax checklist 12
Corporation Tax and Close Companies Checklist 2026/27

Go deeper: my books

For this topic, start with **Business Tax Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Never forget the £500 dividend allowance. It is a 0% band, not a deduction.

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Scan to read online, tick it on screen and take the Scorecard



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