

## Self Assessment Online Payment Plans

HMRC have recently expanded an online service which now allows more people to spread payment of their January 2021 tax bill in up to 12 monthly instalments.

Almost 25,000 Self Assessment customers have set up an online payment plan to manage their tax liabilities. HMRC believe that around 95% of Self Assessment taxpayers due to make a payment by 31 January 2021 will be able to use this self-serve option

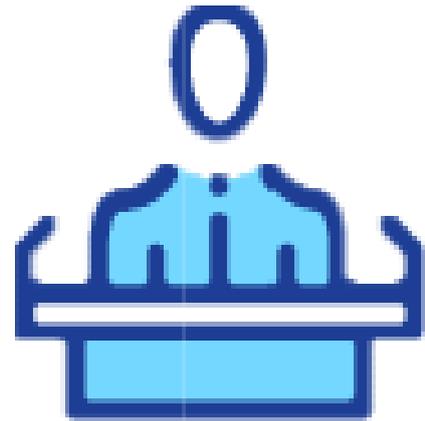
With many individuals and small businesses alike suffering during the Covid-19 pandemic, HMRC are keen to support people who cannot afford to pay their tax bill in January in one go, by allowing them to set up payments in instalments.

They have recently extended their online service, so that these instalments can be arranged without the need to consider it with HMRC staff first, or provide details of current income and expenditure.

Once you have completed and submitted your 2019/2020 tax return, if you are eligible, you can set up your payment plan anytime up to the end of March 2021.

However, if you don't set up before the end of February you will receive a 5% surcharge on your tax liability, so the sooner it is sorted the better!

The earlier you get your return in, the earlier you will know the amount of tax you owe and can arrange your payment plan.



Once your 2019/20 tax return is submitted, you will know how much you are due to pay by 31 January.

If you would like to arrange an instalment plan (a 'time to pay' agreement) to pay the amount due, you will need your Government Gateway account details to log on to HMRC's online tool.

(If you don't have a Government Gateway account, this can be set up at the beginning of the process.)

To be able to set up an instalment plan, you must meet all the criteria:

- you must have no outstanding tax returns, debts or existing payment plans with HMRC
- you owe no more than £30,000,
- you must set up the payment plan within 60 days of the original payment date
- you have to pay the instalments by direct debit.

Customers using self-serve Time to Pay will be required to pay any interest on the tax owed. Interest will be applied to any outstanding balance from 1 February 2021.

Arranging an instalment plan with HMRC does not mean you will avoid interest charges.

If you can't use HMRC's online payment plan tool, you can still contact HMRC to discuss setting up a payment plan. If your Self Assessment debts are over £30,000, or you require longer than 12 months to pay your debt in full, you may still be able to set up a Time to Pay arrangement by calling the Self Assessment Payment Helpline.

You can do this either via contacting HMRC's Self Assessment payment helpline 0300 200 3822 or their coronavirus helpline 0800 024 1222.

Be aware of copycat HMRC websites and phishing scams.

You must be alert if someone calls, emails or texts claiming to be from HMRC, saying that they can claim financial help, you are due a tax refund or owe tax. It might be a scam.

Visit Gov.UK to find out more about Payments on Account