

# Did you defer VAT payments last year?



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Did you take advantage of the offer to defer VAT payments falling due between 20 March 2020 and 30 June 2020 to help with the impact of COVID disruption? If so you now have three choices, you can either:



1. Pay the deferred VAT in full on or before 31 March 2021.
2. Opt in to the VAT deferral new payment scheme when it launches in 2021.
3. Contact HMRC on 0800 024 1222 if you need more help to pay

## Opting into the new payment scheme

It isn't possible to opt in just yet, this will be available from 23rd February 2021.

Unfortunately we are unable to opt-in for you and you must complete this yourself. To help you out they are allowing you to make a maximum of 11 smaller monthly installments, which are interest free, rather than paying the full up front cost in one go before the end of March 2021. However all instalments MUST be paid by the end of March 2022.

The scheme allows you to:

- pay deferred VAT in instalments and not charge you interest
- pick the number of instalments spreading over 2 and 11 equal monthly payments

Eligibility:

- still have deferred VAT to pay
- be up to date with VAT returns
- opt-in before the end of March 2021
- first installment must be paid before the end of March 2021
- must be able to use Direct Debit to pay deferred VAT

If you opt-in to the scheme, you will still have time to make arrangements to pay other outstanding tax and HMRC debts.

## How to prepare

Before you opt in you must:

- Have your own Government Gateway account or create your own if you don't already have one.
- All outstanding VAT returns from the past 4 years must be submitted.
- Be aware of how much you owe. This includes the amount you originally deferred and how much you may have already paid.

You should also:

- If you're paying some of the balance upfront please do so as soon as possible so there is a period between the payment and the application for deferment. This will allow HMRC time to have the correct balance.
- Consider the number of equal instalments, from 2 - 11 months, which would work best for you.

If you still require further information regarding this please contact us at:

Rugeley office: 01889 583211

Uttoxeter office: 01889 562028

Stone office: 01785 748740