

Self Assessment customers use online tax payment plans to help spread the cost

Almost 25,000 Self Assessment customers have set up an online payment plan to manage their tax liabilities in up to 12 monthly instalments, totalling £69.1 million, HM Revenue and Customs (HMRC) has revealed today (13 January 2021).

In October, HMRC increased the threshold for self-serve Time to Pay arrangements from £10,000 to £30,000 for Self Assessment customers. Once they have completed their 2019 to 2020 tax return and know how much tax they owe, customers can use the self-serve facility to set up monthly direct debits and spread the cost of their tax bill.

The 31 January Self Assessment deadline is less than 3 weeks away but for almost 25,000 customers, who have completed their tax returns and set up an online payment plan since 1 October 2020, they can start 2021 knowing their tax liabilities are under control.

Karl Khan, HMRC's Interim Director General for Customer Services, said:

We know the past year has been tough for many businesses and self-employed people, which is why we're helping them spread the cost of their tax bill into monthly payments.

Self Assessment customers can use the self-serve Time to Pay facility for amounts up to £30,000 with almost 25,000 customers already benefiting from the service.

The self-serve Time to Pay threshold was increased to help businesses and individuals who have been affected by the coronavirus pandemic. Supporting Self Assessment customers to manage their tax bills can help ease their financial commitments into more manageable monthly payments. To date, the average value of payment plans set up online is £2,821.

Customers can [apply for the payment plan via GOV.UK](#). However, they must meet the following requirements:

- they need to have no:
 - outstanding tax returns
 - other tax debts
 - other HMRC payment plans set up
- the debt needs to be between £2 and £30,000
- the payment plan needs to be set up no later than 60 days after the due date of a debt

Customers who are required to make Payments on Account, and know their bill is going to be lower than the previous tax year, can reduce their payments. Visit GOV.UK to [find out more about Payments on Account and how to reduce them](#).

Be aware of copycat HMRC websites and phishing scams. Customers should always type in the full online address www.gov.uk/hmrc to get the correct link for their Self Assessment tax return online securely and free of charge.

They also need to be alert if someone calls, emails or texts claiming to be from HMRC, saying that they can claim financial help, are due a tax refund or owe tax. It might be a scam. Check GOV.UK for information on how to [recognise genuine HMRC contact](#).

Find more information on [Self Assessment](#).

The Self-serve Time to Pay data is online payment plans created between 1 October 2020 and 11 January 2021.

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.

If your Self Assessment debts are over £30,000, or you need 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 on 0300 200 3822.

Follow the National Cyber Security Centre's 6 essential steps to keep yourself and your business secure online by visiting CyberAware.gov.uk.