

Almost 100,000 customers spread the cost of their tax bill

Almost 100,000 Self Assessment customers have used online payment plans to spread the cost of their tax bill into manageable monthly instalments since April 2021, HM Revenue and Customs (HMRC) has revealed.

Once a customer has filed their 2020 to 2021 Self Assessment tax return, they can [set up a Time to Pay arrangement](#) for up to 12 months on debts up to £30,000, that they're unable to pay in full. This can be done online at GOV.UK without speaking to HMRC.

Since April 2021, Self Assessment customers have used the online Time to Pay service to pay more than £310 million worth of tax in instalments. If a customer owes more than £30,000, or needs longer to pay, they should contact HMRC to discuss payment options.

The deadline for filing tax returns, paying any tax owed or setting up a payment plan was 31 January but, this year, HMRC has given customers extra time to meet their obligations without facing penalties. This means:

- anyone who did not file their return by the 31 January deadline will not receive a late filing penalty if they file by 28 February
- anyone who did not pay their tax liabilities by the 31 January deadline will not receive a late payment penalty if they pay their tax in full, or set up a time to pay arrangement, by 1 April

From 1 February, all outstanding amounts were subject to interest.

[Myrtle Lloyd](#), HMRC's Director General for Customer Services, said:

We understand some customers might be worrying about paying their Self Assessment bill this year, and we want to support them. To see if you're eligible to set up a payment plan, go to GOV.UK and search 'pay my Self Assessment'.

The 2020 to 2021 tax return covers earnings and payments during the pandemic. Customers will need to declare [if they received any grants or payments from the COVID-19 support schemes](#) up to 5 April 2021 on their Self Assessment, as these are taxable, including:

- Self-Employment Income Support Scheme
- Coronavirus Job Retention Scheme
- other COVID-19 grants and support payments such as self-isolation payments, local authority grants and those for the Eat Out to Help Out scheme

The £500 one-off payment for working households receiving tax credits should

not be reported in Self Assessment.

It is important that customers [check and make any changes to their tax return](#) to make sure any Self-Employment Income Support Scheme or other COVID-19 support payments have been reported correctly in their Self Assessment.

HMRC urges everyone to be alert if they are contacted out of the blue by someone asking for money or personal information. Customers should always type in the full online address www.gov.uk/hmrc to get the correct link for filing their Self Assessment return online securely and free of charge. HMRC sees high numbers of fraudsters emailing, calling or texting people claiming to be from the department. If customers are in doubt, do not to reply directly to anything suspicious, but contact HMRC straight away and search [GOV.UK for 'HMRC scams'](#).

If customers owe more than £30,000, or need longer to pay, they should call the Self Assessment Payment Helpline on 0300 200 3822.

Latest self-serve Time to Pay figures are for arrangements set up in the 2021 to 2022 tax year and are up to 6 February 2022.

A full list of the payment methods customers can use to [pay their Self Assessment tax bill](#) is available on GOV.UK.

There is no change to the filing or payment deadline and other obligations are not affected. This means that:

- interest will be charged on late payment. The late payment interest rate is 2.75%
- a return received online in February will be treated as a return received late, with a valid reasonable excuse for the lateness. This means that:
 1. there will be an extended enquiry window
 2. for returns filed after 28 February the other late filing penalties (daily penalties from 3 months, 6 and 12 month penalties) will operate as usual;
 3. a 5% late payment penalty will be charged if tax remains outstanding, and a payment plan has not been set up, by midnight on 1 April 2022. Further late payment penalties will be charged at the usual 6 and 12 month points (August 2022 and February 2023 respectively) on tax outstanding where a payment plan has not been set up.
- we will not charge late filing penalties for SA700s and SA970s received in February. These returns can only be filed on paper
- for SA800s and SA900s we will not charge a late filing penalty if customers file online by the end of February. The deadline for filing SA800s and SA900s on paper was 31 October. Customers who file late on paper will be charged a late filing penalty in the normal way. They can appeal against this penalty if they have a reasonable excuse for filing their paper return late

Customers who are required to make Payments on Account, and know their bill

is going to be lower than the previous tax year, for example due to loss of earnings because of COVID-19, can reduce their Payments on Account. Visit GOV.UK to [find out more about Payments on Account and how to reduce them](#).