

# One month left to join VAT Deferral New Payment Scheme

Businesses that deferred VAT payments last year have one month left to join online to pay in monthly instalments under the [VAT Deferral New Payment Scheme](#), HM Revenue and Customs (HMRC) has said today (20 May 2021).

The online portal for the new payment scheme closes on 21 June 2021.

Over half a million businesses deferred £34 billion in VAT payments due between March and June 2020 under the VAT Payment Deferral Scheme. Businesses had until 31 March 2021 to pay this deferred VAT or, if they could not afford to do so, they could go online from 23 February to set up a new payment scheme and pay by monthly instalments to spread the cost.

Jim Harra, HMRC's Chief Executive, said:

Businesses that deferred paying their VAT last spring have until 21 June to join the VAT Deferral New Payment Scheme online. They should act now to avoid missing out on this opportunity to spread payment of their deferred VAT across monthly, interest-free, instalments.

The new payment scheme is part of the government package of support worth over £350 billion to help protect millions of jobs and businesses during the pandemic and as we emerge on the path to recovery.

HMRC will continue to do all we can to help businesses as they reopen and rebuild.

Jesse Norman, Financial Secretary to the Treasury, said:

Thanks to the government, more than half a million businesses were able to defer their VAT payment last year. This provided support at a critical time, protecting millions of jobs and businesses during the pandemic and injecting £34 billion into the UK economy.

The VAT Deferral New Payment Scheme means businesses can now manage their cashflow by paying their deferred VAT more gradually, continuing to protect jobs across the UK as we emerge from the pandemic and build back better.

The March, April and May joining dates have passed, but businesses can still spread their payments across up to eight equal monthly instalments, interest-free, if they join by 21 June 2021. Payments can easily be set up via the [VAT](#)

## [Deferral New Payment Scheme portal.](#)

HMRC data to 30 April 2021 shows 228,850 businesses that deferred their VAT last year have already paid their VAT in full. This, along with instalments already made under the new payment scheme and other payment plans, totals £15.1 billion. Since the online service opened on 23 February 2021 another £11.5 billion has already been committed to future instalment payments by 134,627 businesses.

Eligible businesses that are unable to use our online service by 21 June 2021 can call the HMRC Coronavirus Helpline on 0800 024 1222 to join the scheme until 30 June 2021.

Businesses may be charged a 5% penalty and/or interest if they don't join up to the scheme online by 21 June, or pay in full by 30 June, or contact HMRC to make an arrangement to pay by 30 June 2021. Businesses should also contact HMRC by 30 June 2021 if they need to agree extra help to pay.

The scheme launched on 23 February 2021 and is open to businesses that deferred VAT due from 20 March to 30 June 2020 (under the VAT Payment Deferral Scheme) and still have payments to make.

Businesses can:

- join the VAT Deferral New Payment Scheme online between 23 February and 21 June 2021
- pay the deferred VAT in full by 30 June 2021
- contact HMRC by 30 June 2021 if they need to agree extra help to pay

The penultimate joining date was 19 May 2021. Businesses can pay their deferred VAT in 2 to 8 consecutive instalments without adding interest if they join online by 21 June 2021. The first payment is made when they join.

The joining stage is slightly longer for those unable to use our online service due to the way payments are processed.

Details of [what businesses must do before they join](#), including ensuring their VAT returns are up to date.