

If you are a taxpayer facing difficulty in making a tax payment in response to the COVID-19 pandemic it may be possible for you to seek a Time to Pay Arrangement (TTPA) with HMRC. This is a facility which was already in existence but has now been extended.

In this unprecedented time we find ourselves in, HMRC has extended its current TTPA offering and are providing Debt Management Services to substantially more people and businesses impacted by COVID-19. Like many others, you may be experiencing cash flow problems and be facing the difficult decision of who to pay and who will have to wait for payment. You may therefore benefit from these arrangements if you are unable to pay your tax liabilities on time, so that you can spread out payments over a period to make it more affordable for yourself.

Best approach to reaching an agreement with HMRC on a time to pay

Here are some key points to consider when requesting a TTPA with HMRC:

- Request a TTPA in good time ahead of your payment deadlines.
- Firstly, contact HMRC via telephone.
- Explain your financial hardship.
- Have a plan for how long you wish to defer payment and why it will be affordable at that time.
- Make it evident how you are managing costs.
- Detail any other debt financing and borrowings that you might have.

Things you should have to hand if you are running a business

- Your cash flow forecast.
- Your management accounts and cash reserves for emergency funding needs.
- An explanation of the commercial rationale.

Things you should have to hand if you are an individual

- Your monthly income and expense statements.
- A personal statement of assets and liabilities.

Important points that everyone should bear in mind

You should make sure that your tax returns and accounts are filed up to date. You must also find out if forward interest will be charged and make note of any late payment penalties or surcharges that may apply. It's also a good idea to keep in mind that renegotiation may be necessary, given the uncertainty regarding the timeframe of the COVID-19 impact.

Remember that TTPAs are a deferral of payments. Future tax liabilities are not written off and you must consider:

- Payments or direct debit instalments could be requested up-front.
- A TTPA for over 12 months will require more evidence.
- A TTPA can depend on your future income or the sale of an asset.
- Adhere to your new deadlines under the TTPA.
- Set up a direct debit to HMRC.

Please also note that the TTPA scheme is separate from the VAT deferral that HMRC have recently announced for all VAT registered businesses.

Useful references for information

If you cannot pay your tax bills due to the coronavirus contact the dedicated HMRC [Coronavirus \(COVID-19\) helpline](#) on 0800 024 1222. Opening hours are Monday to Friday: 8am to 4pm, excluding Bank Holidays. [The tax helpline](#) may also be beneficial if you are unable to pay your tax bill on time. Alternatively, large business clients could email their HMRC Customer Compliance Manager.

HMRC also offers a webchat facility for enquiries regarding issues paying taxes, due to COVID-19. This includes: [VAT](#), [employment taxes](#), [self-assessment](#) and [technical support with online services](#).

If you would like advice or help with TTPA negotiations, please contact [Ian Parker](#) on 01295 270200, or ianp@whitleystimpson.co.uk.

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