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# ALLEN&OVERY ACCOUNTS

## **Self-Assessment Time-to-Pay Arrangement**

The Chancellor has announced that **taxpayers who are unable to pay their self-assessment bill falling due on 31 January 2021 can make a time-to-pay arrangement.**

This arrangement can apply to all tax due on that date including:

- Deferred second payment on account for 2019/20 which was originally due on 31 July 2020.
- Balancing payment for 2019/20 due on 31 January 2021.
- First payment on account for 2020/21 due on 31 January 2021.

The amount due can be paid in monthly instalments over a period of up to 12 months and the arrangement can be setup by following this link:

<https://www.gov.uk/pay-self-assessment-tax-bill/pay-in-instalments>

Unfortunately HMRC have confirmed that **we cannot access this service on behalf of our clients** and that taxpayers must setup the arrangement themselves.

Taxpayers can only setup this arrangement online if they meet the following requirements:

- They have no outstanding tax returns.
- **The 2019/20 tax return must have been filed** and it must also have been processed by HMRC, which can take 72 hours for a return filed online. **The deadline for filing this return is 31 January 2021.**
- They must have no other tax debts (or other HMRC payment plans set up).
- **The debt must be between £32 and £30,000.**
- The payment plan must be set up no later than 60 days after the due date of a debt i.e. by 1 April 2021.
- However, **the payment plan must be set up by 2 March 2021** to avoid late payment penalties (as these would apply from 30 days after the due date).

**Interest will be applied to any outstanding balance from 1 February 2021.** This contrasts with the deferral of the second payment on account due in July 2020 on which no interest was charged.

Taxpayers who owe more than £30,000 or need longer than 12 months to pay may still be able to set up a time-to-pay arrangement by calling the self-assessment payment helpline on 0300 200 3822.

### **Job Retention Bonus (JRB)**

HMRC has now published guidance on how businesses can claim the government's £1,000 job retention bonus, available to employers who keep furloughed workers on the payroll for the next three months.

<https://www.gov.uk/guidance/check-if-you-can-claim-the-job-retention-bonus-from-15-february-2021>

As a reminder **the bonus is a £1,000 one-off taxable payment to the employer for each eligible employee that was furloughed and kept continuously employed until 31 January 2021.**

Employers will still be able to claim under the scheme even if they are also receiving support from the recently announced Job Support Scheme which will launch on 1 November.

Before employers can claim the bonus they will need to have reported all payments made to employees between 6 November 2020 and 5 February 2021 to HMRC through full payment submissions via real time information (RTI).

The scheme will not open for claims until 15 February 2021 and **employers will have until 31 March 2021 to make a claim** after which the scheme will close. No further claims will be accepted after this date. Please note that if we have previously made claims for you under the Coronavirus Job Retention Scheme (for furloughed workers) we will also make claims under this new scheme on your behalf.

The guidance will be updated by the end of January 2021 with details on how to access the online claim service.

The Allens Team



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