

# Time to Pay

Following the Budget 2020 announcements, HMRC have implemented measures to support businesses and self-employed people concerned about their ability to pay their tax liabilities due to the impact of coronavirus (COVID-19). HMRC is offering this practical support through their 'Time to Pay' service.

Most Time to Pay requests are made when businesses are facing financial pressures and making a request can be another challenging burden on management time and resources at this crucial time.

In light of the unique pressures on individuals and business that have arisen from COVID-19, HMRC will consider a range of potential agreements in order to ensure that payments of all taxes can be managed through this challenging period. Although HMRC is keen to reduce the burden on taxpayers, there is still a need to present a clear and concise picture to ensure an applicable Time to Pay period is agreed.

When considering Time to Pay proposals HMRC will consider a range of information including previous compliance history, financial forecasts, engagement with other creditors, and future liabilities that will fall due.

## How we can support your business

Our team of specialists can help you to assess options and rapidly implement solutions to help ease the financial pressures on your business and free up valuable management time.

Our experience of handling hundreds of Time to Pay negotiations on behalf of clients has shown that how you prepare for, and engage in, discussions with HMRC can make a significant difference to the outcome.

- 1 We have succeeded in achieving agreements for clients in cases where previous requests have been unsuccessful, and where existing Time to Pay arrangements have become unmanageable.
- 2 We have experience of negotiating Time to Pay agreements with senior members of HMRC's debt management teams. We are also working with HMRC on a number of Time to Pay agreements at this difficult time and understand the protocols HMRC is working within in terms of deferral period and evidence required.
- 3 We understand HMRC's structure and its approach to Time to Pay applications, and our team can help you to navigate through what can seem to be a very complex process.
- 4 We can review any readily available financial information, including short and long term cashflow forecasts, to identify what funds are available.
- 5 We will use our experience to help prepare proposals for payment to HMRC, which are acceptable to the business, but also mean that future tax liabilities can be paid on time.
- 6 We will negotiate a Time to Pay arrangement on your behalf with HMRC, using our experience to ensure that the best possible outcome for your business is agreed and confirmed in writing.
- 7 We will also explore other areas such as refunds for overpayments and managing quarterly instalments for corporation tax (large corporates) where helpful and help you engage with your CCM or HMRC contact on an overall position to manage your affairs.
- 8 It is essential to check-in with HMRC throughout the payment period and to be transparent in all communications with HMRC. We can assist you in managing these sensitive communications.

## Frequently asked questions



**My payment is already overdue, how can you help?**

We recommend early and open dialogue with stakeholders to encourage trust in the process. We will facilitate the discussions with HMRC on your behalf in addition to supporting you through the Time to Pay process by preparing robust payment proposals on your behalf, with supporting information where necessary to help address any concerns HMRC may have.



**What happens if I just withhold my next payment?**

Aside from any legal implications, there could be personal implications for directors who could be seen to be trading insolvently. In additional financial penalties for late payment could be charged. We would recommend early dialogue with HMRC to prevent this.



**We have asked HMRC for assistance but been refused, how can you help?**

We have succeeded in agreeing Time to Pay arrangements in cases where previous requests have been refused. We will work together with you and HMRC to understand the reasons for the refusal and to manage the process on your behalf to reach a position that is acceptable to everyone.



**There are a number of companies in our group and we are unsure what approach to take.**

We can manage discussions on your behalf with HMRC and will be able to agree with HMRC that separate requests by companies in a group can be dealt with together.



**What deferral period can you agree with HMRC?**

HMRC will consider requests on a case-by-case basis but HMRC will typically check that the proposed repayment period is reasonable, based on the applicant's financial position, but also affordable.

## Contacts



**Andy Olymbios**

UK Tax Disputes Leader  
M: 07866 744143



**Natalie Martin**

Tax Disputes  
M: 07808 105785



**John Harding**

Employment Taxes  
M: 07801 042607



**Ben Roseff**

Tax Disputes  
M: 07715 211869



**Matt Sassen**

Tax Disputes  
M: 07843 330260



**Emma Broadbent**

Tax Disputes  
M: 07843 422946



**John White**

International Mobility  
M: 07802 901263



**Matthew Taylor**

Tax Disputes  
M: 07841 632394



**Sean Drury**

Employment Taxes  
M: 07715 771294

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors..

© 2020 PricewaterhouseCoopers LLP. All rights reserved. PwC refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

200317-144858-CD-OS