



Please help us to help you - post and IVA claim requests

HMRC's Individual Voluntary Arrangements Service (VAS) team has been supporting COVID-19 helplines - CJRS and SEISS. We're now working hard to clear the backlog of correspondence and proposals. Here are a few ways you can help. The two main areas where we are asking for your help are:

- Duplicated post items
- IVA claim requests

We know that you want to get things done as speedily as possible and manage cases efficiently - we want that too, so if we can improve these two areas, it will make it easier for us to provide the service that you need, and that we want to deliver.

Duplicated post

We are receiving many copies of the same item of correspondence and they're being sent using several different HMRC references; perhaps because the debtor

owes more than one type of tax, duty or Tax Credits overpayment.

If we've already been in touch, we will have provided our reference prefixed either 623 or for older cases, 880 or 075 - please use this reference. If you've not previously heard from us, use the debtor's Self Assessment (SA) reference or National Insurance numbers.

Post is also being received both electronically and physically. This is adding to the delays. Please send us correspondence by one method only, preferably to our mailbox vas@hmrc.gov.uk.

IVA claim requests

Before you decide to chase a request up, please consider the timeline of a case and whether HMRC has received the information it requires to agree a claim. Here's more information.

HMRC's claim in the majority of IVAs will usually include an element of SA or overpaid tax credits for years up to and including the tax year in which the arrangement is approved. The claim cannot be finalised until the debtor provides all

outstanding tax returns up to and including that year, or until his or her tax credits position is finalised as part of the annual renewal cycle.

In practice this means that for a self-employed debtor whose IVA was approved on 31 August 2020, the IVA will comprise all years up to and including tax year 2020-2021. This includes both amounts already due and unpaid, as well as sums that will only be calculated following submission of his or her tax return for years up to and including 2020-21.

The taxpayer can complete that year's return any time from April 2021 onwards, even though the statutory deadlines are 31 October 2021 if submitting a paper return, or 31 January 2022 if they file electronically.

If they leave it until the last date to submit their returns, HMRC wouldn't have the figures to finalise its claim until 17 months from the date of approval.

In many arrangements HMRC is a creditor simply because of overpaid tax credits. Using the same approval date of 31 August 2020, HMRC wouldn't know the final amount due for another 12 months - until the renewal of the claim by August 2021.

So, if the debtor is either currently self-employed and/or claiming tax credits, HMRC's claim won't be known for some considerable time after approval. Please remember this when you are considering chasing up a claim. Chasing prematurely creates unnecessary work.

Most of this correspondence appears to be generated automatically. Please work with your IT suppliers to ensure that when the debtor is liable to HMRC as outlined above, requests for claims are only issued when either:

- The debtor has confirmed that all years' returns or the appropriate tax credits renewals have been submitted
- For the self-employed, the statutory filing deadlines have passed
- For those who may have tax credits overpayments - the renewal date has passed.

As the VAS team continue to work through the backlog, they cannot respond to premature claim requests.

We aim to write within the first four months of receipt of a claim with a note of our reference and with either:

- Confirmation that HMRC will not be claiming in the arrangement.
- A final claim where that is already known.
- To advise that the final claim is dependent on returns or renewals - as outlined in this notice.

We thank you in advance for helping us to get back on track.