

COPTHORNE SCHOOL - FREQUENTLY ASKED QUESTIONS ON VAT

- **What is the issue of VAT on school fees?**

In July, the newly elected Labour Government in the UK confirmed their pre-election intention to introduce VAT on independent school fees. On the 29 July 2024, the Chancellor confirmed that 20% VAT will be imposed on independent school fees. This VAT would be introduced from 1 January 2025, earlier than previously anticipated.

- **Will the full 20 per cent of VAT on independent school fees be payable to the Government?**

VAT is a tax payable to the Government/Treasury on goods and services. The level of VAT applicable to fees is set by the Government not by schools. It is important to note that the entire VAT amount goes directly to the Government. Of the total invoice received by parents from January 2025, the School will only retain the operational school fees, net of VAT amount.

- **What VAT rate will parents need to pay?**

The School will need to pay 20% VAT to the government from January 2025. However, we do not expect Copthorne Prep School parents to bear the full cost of the addition of VAT on school fees.

The school will fund 13% of the VAT.

Copthorne Prep School parents will pay 7% VAT increase in January 2025. There will be no further VAT related increase in fees after January 2025.

- **What will my fee invoice, including VAT, look like in January 2025?**

The Government will apply VAT of 20% on fees. In order that parents pay an additional 7% instead of the full 20% on their total fees, the school will reduce our operational fees. With the addition of VAT at 20%, your total invoice will see an increase of 7% from January 2025 when compared to the autumn term 2024. Please note that charges for school lunches and school transport will not attract VAT.

For example:

The current Reception fee from September 2024 is £3,900.

In January 2025 the Reception invoice would appear as:

Reduced Reception Fee £ 3479.17

Plus VAT of £ 695.83

Total Invoice of £ 4175.00

Increase of £275 for the term (7% increase overall).