



SINCE 604 AD

KING'S SCHOOL
ROCHESTER

VAT IMPACT ON FEES FREQUENTLY ASKED QUESTIONS

To help answer common queries regarding the introduction of VAT on private school fees, please refer to the FAQs below. If you have further questions, please contact fees@kings-rochester.co.uk for assistance.

Impact upon School Fees

King's School Rochester reduced its termly fees by 3% for Reception to Sixth Form from Lent Term 2025 onwards to account for the portion of Input Tax which can be reclaimed. The standard 20% VAT rate is applied to private school fees from 1 January 2025.

Is VAT charged on Nursery Fees?

Nursery fees remain exempt from VAT.

What does VAT apply to?

VAT is charged on private school fees for education and vocational training. Supplies of goods and services which are closely related to education, which were currently treated as exempt from VAT (e.g. Senior School optional lunches, school trips), continue to be exempt with the exception of boarding fees, which are subject to VAT. Before and after school care is exempt from VAT.

What are other "Closely Related" goods and services?

"other "closely related" goods and services, other than boarding (i.e. goods and services that are provided by a private school for the direct use of their pupils and that are necessary for delivering the education to pupils), remain exempt from VAT." Currently, costs that could potentially be defined as 'closely related', and therefore not be subject to VAT include the below.

- School Lunches (where optional and part of a separate supply)
- Transport
- Examination Fees
- Books and Stationery

NB: HMRC has not yet clarified the VAT treatment of school lunches and whether they can be treated as exempt and not form a component of a single supply of education. Until clear guidance has been received on this issue, VAT will be charged on school lunches.

VAT on dinner for Boarding

The Government has been clear that items related to boarding will receive no exemption from VAT and so HMRC's view is that meals provided before and after the school day to boarders are part of the boarding provision and are therefore subject to VAT.

Will VAT be charged on instrument/music lessons?

Yes. Tuition of any kind provided by the school is subject to VAT. Instrument hire remains exempt.



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VAT on After School Clubs

Extra tuition or coaching provided by the school is subject to VAT (think ballet class, technology club or tennis coaching), but 'pure childcare' (where the children are supervised but not taught or coached) is not.

VAT on Before and After School Care

Where the school offers 'pure childcare' (see previous answer) that is charged for at a separate price and under a separate agreement, this remains exempt from VAT. Usually this takes the form of breakfast clubs and after school care, which are supervised but not educational in purpose.

Is VAT charged on School Trips?

No - school trips are either VAT exempt, where there is an educational element, or subject to a scheme that only applies VAT on any profit retained by the school. King's organises and administers trips at cost price, so no VAT is applied to these trips.

How are pupils with SEND affected?

How VAT affects private school fees for children with special educational needs and disabilities (SEND) depends on whether they have a local authority funded Education, Health and Care Plan (EHCP) and what it advises. Where Local Authorities fund pupils' places in private schools (for instance, because the school is named in the pupil's Education, Health and Care Plan), Local Authorities will be able to reclaim the VAT they are charged on these pupils' fees. However, where parents and guardians choose to send their child with SEND to a private school, VAT will be applied to their fees. This applies where they have an EHCP, but the local authority has decided that a private school place is not necessary to meet their needs.

Is VAT payable on Fees in Advance schemes?

Any private school fees paid on or after 29 July 2024 for tuition and boarding fees covering a period on or after 1 January 2025 are subject to 20% VAT.

Can King's recover input VAT?

From 1 January 2025, when education provided by private schools becomes subject to VAT, in accordance with the general rules of VAT recovery, VAT is partially recoverable on expenditure incurred by the school in connection with the supply of such education. We have calculated our unique partial exemption recovery rate and this has been factored into the fee reduction of 3%, to account for input VAT we are able to reclaim.

Do military/diplomatic families who receive the Continuity of Education Allowance receive an exemption from paying VAT on school fees?

Whilst there is no exemption here, we understand that the intention is that additional government funding will meet the extra VAT cost in these instances.



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Impact upon Direct Debits

Direct debit collections have increased in value due to two terms being collected over the remaining 6 instalments. The revised schedule of payments is displayed at the bottom of the invoices if you currently pay by in-house direct debit. To alleviate the monthly increase for the remainder of this academic year by spreading the cost over 8 months, the option of School Fee Plan is available to parents at a small charge of 2%.

VAT on invoices

As the school is making a supply to parents and not a registered business, we are not required to issue VAT invoices. The invoice amount is gross of VAT and will include VAT where applicable.