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STATUTORY INSTRUMENTS

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**2020 No. 1523**

**SOCIAL SECURITY**

**The Social Security Contributions (Disregarded Payments) (Coronavirus) (No. 2) Regulations 2020**

<i>Made</i>	- - - -	<i>11th December 2020</i>
<i>Laid before Parliament</i>		<i>14th December 2020</i>
<i>Coming into force</i>	- -	<i>25th January 2021</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 3(2)(b) and (3), and 10(9)(a), of the Social Security Contributions and Benefits Act 1992<sup>(1)</sup>, and sections 3(2)(b) and (3), and 10(9)(a), of the Social Security Contributions and Benefits (Northern Ireland) Act 1992<sup>(2)</sup>.

The Secretary of State and the Department for Communities concur in the making of regulations 1 and 2.

**Citation, commencement, interpretation and effect**

1.—(1) These Regulations may be cited as the Social Security Contributions (Disregarded Payments) (Coronavirus) (No. 2) Regulations 2020.

(2) These Regulations come into force on 25th January 2021 and have effect in relation to payments made on or after that date, but before the end of the tax year 2020-21.

(3) In these Regulations, “coronavirus test” means a test which detects the presence of a viral antigen or viral ribonucleic acid (RNA) specific to severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

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(1) 1992 c. 4 (“the 1992 Act”). Section 3(2) was amended by paragraph 3 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2). Section 10 was substituted by section 74(2) of the Child Support, Pensions and Social Security Act 2000 (c. 19), and relevantly amended by paragraph 174(12) of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1).

(2) 1992 c. 7 (“the 1992 NI Act”). Section 3(2) was amended by S.I. 1999/671. Section 10 was substituted by section 78(2) of the Child Support, Pensions and Social Security Act 2000, and relevantly amended by paragraph 195(12) of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003.

**Payments to be disregarded in the calculation of earnings for the purposes of earnings-related contributions**

2.—(1) A payment mentioned in paragraph (2) is to be disregarded in the calculation of earnings from an employed earner’s(3) employment for the purpose of earnings-related contributions(4).

(2) A payment that is made to an employed earner in respect of the cost of a coronavirus test taken, or to be taken, by that employed earner.

**Prescribed general earnings in respect of which Class 1A contributions not payable**

3. Class 1A contributions(5) are not to be payable in respect of general earnings which are payments made to an employed earner in respect of the cost of a coronavirus test taken, or to be taken, by that employed earner.

10th December 2020

*James Morris*  
*Rebecca Harris*  
Two of the Lords Commissioners of Her Majesty’s Treasury

The Secretary of State concurs as indicated in the preamble.  
Signed by authority of the Secretary of State for Work and Pensions

11th December 2020

*Guy Opperman*  
Parliamentary Under-Secretary of State  
Department for Work and Pensions

The Department for Communities concurs as indicated in the preamble.  
Sealed with the Official Seal of the Department for Communities on 11th December 2020.



*Anne McCleary*  
A senior officer of the Department for Communities

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(3) “Employed earner” is defined in section 2(1)(a) of the 1992 Act. Section 2(1)(a) of the 1992 NI Act gives an equivalent definition applicable in Northern Ireland.  
(4) Section 1(2) of the 1992 Act provides that (National Insurance) contributions under Part I of the Act shall be of various classes, including Class 1, earnings related, contributions. Section 1(2) of the 1992 NI Act makes equivalent provision for Northern Ireland.  
(5) See section 1(2)(b) of the 1992 Act and section 1(2)(b) of the 1992 NI Act.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations provide for payments made to employed earners for coronavirus tests to be disregarded when calculating the amount of earnings for the purposes of calculating liability to pay primary and secondary Class 1 contributions (“NICs”), and also that such payments are also not liable to Class 1A NICs.

Regulation 1 provides for citation, commencement and effect, and defines the key term “coronavirus test”.

Regulation 2, as read with regulation 1, provides that payments made to earners on or after 25th January 2021, but before the end of the tax year 2020-21, in respect of the cost of a coronavirus test taken or to be taken by that employed earner, will be disregarded when calculating the amount of earnings for the purpose of calculating liability to pay primary and secondary Class 1 NICs. Regulation 3 provides that Class 1A NICs are also not payable in respect of general earnings comprising such payments.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.