
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>.