
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for certain small and medium size employers to reclaim some or all of their Statutory Sick Pay (SSP) costs from Her Majesty's Revenue and Customs (HMRC).

Regulation 1 provides for citation and commencement and regulation 2 provides for interpretation of terms used in the Regulations.

Regulation 3 provides that an employer may make a claim in respect of an employee's period of incapacity for work related to coronavirus where the first day of incapacity for work in that period arose on or after 13th March 2020. Section 159B(7) of the Social Security Contributions and Benefits Act 1992 (c. 4) allows these Regulations to have effect in relation to days of incapacity for work that fall on or after 13th March 2020. It makes further provision about which SSP costs an employer is entitled to reclaim and limits the amounts which can be claimed per employee and in total. It also provides for when an employer is not entitled to claim by reason of exceeding limits on receipt of State aid under the Temporary Framework for State aid measures to support the economy during the current COVID-19 outbreak set by the European Commission or having certain entitlement to a grant under the Coronavirus Job Retention Scheme.

Regulation 4 defines an eligible employer for the purposes of regulation 3 by reference to the number of employees enrolled on all pay as you earn schemes operated by the employer on 28th February 2020 and by reference to whether it is reasonable to assume that the employer would be regarded as "in difficulty" for State aid purposes. The number of employees of connected companies or connected charities must be aggregated for the purpose of determining eligibility.

Regulation 5 gives the meaning of period of incapacity for work related to coronavirus for the purposes of regulation 3.

Regulation 6 sets out how to make a claim for reimbursement of SSP and the information and declarations that must be included in a claim.

Regulation 7 provides for a time limit on making claims.

Regulation 8 provides for how HMRC will make payment pursuant to accepted claims.

Regulation 9 requires an employer who mistakenly overstated the amount of a claim for which the employer has received payment from HMRC to correct the error and repay the amount by which the claim was overstated.

Regulation 10 allows an employer who has mistakenly understated the amount of a claim to submit another claim in respect of the same period, PAYE scheme and employees.

Regulation 11 provides for recovery by HMRC of overpayments made under these Regulations.

Regulation 12 places record keeping obligations on eligible employers making claims under these Regulations.

Regulation 13 permits HMRC to request information from, and inspect the records of, employers making claims under these Regulations.

An Impact Assessment has not been produced for this instrument because it is covered by the Summary of Impacts published with the Coronavirus Bill on 19 March 2020 at <https://publications.parliament.uk/pa/bills/cbill/58-01/0122/Coronavirus%20Bill%20Impact%20Assessment%20final%20pdf.pdf> (see pages 72 to 73). Copies are also available

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