



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Mel Stride MP
Chair, Treasury Select Committee

7 July 2020

Dear Mel,

COVID19 tests by employers

Thank you for your letter of 7 July regarding COVID-19 tests by employers. Following your question at Treasury Orals, I have looked into this issue as a matter of urgency.

Regular COVID-19 tests are currently available through the Government testing programme to wide range of employees. For example, care home staff can access weekly testing regardless of whether or not they exhibit symptoms. If an individual is tested through the government testing programme, no tax liability will arise. This means that in the vast majority of cases, those who need to be tested have been and will continue to be able to access testing through the Government programme.

As you noted, at the moment the provision of a third party COVID19 test by an employer to an employee, constitutes a benefit in kind. Therefore, the cost of providing the test would normally be subject to income tax and Class 1A National Insurance Contributions (NICs).

As most workers will already be able to access tests for free through the NHS, we expect this to only impact a small number of individuals. However, given the importance of widespread testing, the Government wants to ensure that all employers who wish to provide testing to their employees can do so without increasing their tax liability. We are therefore introducing a new income tax and NICs exemption from income tax for employer-provided COVID19 antigen tests. This will be in effect for any tests which have taken place during the current tax year 2020-21.

HMRC will amend their guidance as soon as possible to reflect this change.

Best wishes,

A handwritten signature in blue ink, appearing to read 'Rishi Sunak'.

RT HON RISHI SUNAK MP