
PRACTICE NOTE

PN 212/20

Date: 18 March 2020

NATIONAL INSURANCE CONTRIBUTIONS – EMPLOYERS HOLIDAY

Introduction

In light of the current situation in relation to Coronavirus (COVID-19), the Treasury Minister announced in Tynwald yesterday the introduction of a nil rate of secondary Class 1 Contributions for relevant sectors in respect of March 2020 remittances which are due and payable by 19 April 2020.

Details of the relevant sectors will be issued in GC 2020/0006 – Notice by Treasury – Coronavirus (COVID-19) to be published by Treasury shortly.

Relevant Sectors

In general, the businesses included will be those with income wholly or mainly from: -

- tourist accommodation;
- catering and entertainment;
- leisure, travel and tour operators; and
- companies involved with logistics that is the movement of goods to and from the Island.

Effect of the Measure

The Order approved by Tynwald will reduce the rate of Secondary Class 1 National Insurance Contributions for the month of March 2020 which are due and payable by 19 April 2020, for relevant businesses to zero.

It is proposed that a further Order will be put before Tynwald in April to extend this measure for an additional two months.

Therefore, any employer falling within a relevant sector will be required to pay only ITIP and Primary Class 1 National Insurance Contributions. Secondary Class 1 Contributions will be zero.

Any employer who has already paid their total Class 1 Contributions for March 2020 and consider that they fall within a relevant sector should contact the Income Tax Division providing a breakdown of the Primary and Secondary Contribution amounts in order that the Secondary Contributions can be refunded.

Any employer falling within a relevant sector should complete their 2019/20 Employer's Annual return (including T14s) as if the Secondary Class 1 Contributions for period 12 had been paid. On submission of

the return this will then display an underpayment which will relate to the Secondary Contributions calculated, but not due, for period 12.

If you have any queries regarding the above measure you can contact the Employers Team in the Income Tax Division in the following ways:

- Phone - +44 1624 685400 (*option 4 followed by option 1*)
- Visit or write to them on 2nd floor, Government Office, Buck's Road, Douglas. Office opening hours are Mon to Thurs 9.15am - 5pm, Fri 9.15am - 4.30pm
- Email - AdminSection.itd@gov.im

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This Practice Note is intended only as a general guide and must be read in conjunction with the appropriate legislation. It does not have any binding force and does not affect a person's right of appeal on points concerning their own liability to income tax.

Comments and suggestions for improvements of issued Practice Notes and suggestions for future Practice Notes are always welcome.