



PRACTICE NOTE

PN 182/13

Date: 19 February 2013

EXTENSION TO EMPLOYER NATIONAL INSURANCE HOLIDAY SCHEME

INTRODUCTION

The Employer National Insurance Holiday Scheme was introduced on 6 April 2012 to encourage employers to recruit additional employees. Details of the scheme were published in Practice Note [PN 173/12](#) which should be read in conjunction with this Practice Note.

Following the success of the scheme in its first year, the Treasury Minister announced in the 2013 Budget that the scheme will now be extended.

WHAT HAS CHANGED?

1. Scheme period

On its introduction in April 2012, the scheme was scheduled to end on 5 April 2014. However, due to its success, the scheme has been extended for a further year and is now scheduled to end on 5 April 2015.

As a result of the extension, any employees recruited prior to 6 April 2013 and who Treasury have confirmed as qualifying under the scheme, will now automatically qualify for a maximum period of 24 months as long as their employment continues to satisfy the scheme requirements. There is no need for employers to contact the Division to arrange for an extension.

2. Failure to continue meeting the scheme requirements

From 6 April 2013, if an employment that has qualified under the scheme subsequently stops meeting any of the qualifying requirements, the employer will immediately become liable for all secondary National Insurance Contributions due on earnings paid for that employment. The liability will continue until such time as the employment once again satisfies all of the scheme requirements. The maximum qualifying period of 24 months will be reduced to reflect any period of non-qualification.

3. Requirement to retain certificates

Originally, employers were required to keep any certificates issued under the scheme until at least 5 April 2017. However, following the extension, all certificates issued under the scheme, regardless of their date of issue, must now be kept by the employer until 5 April 2018.

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