



## BRIEFING PAPER

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# Coronavirus: Test & Trace Support Payments

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## Summary

Since February, the UK Government has had guidance saying those showing symptoms of COVID-19 and those in their household should self-isolate for a certain period.

On 28 September the Government introduced a new legal requirement to self-isolate for anyone who has been notified that they have tested positive for COVID-19 or anyone who

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has been notified that they were in close contact with a person who has tested positive. The legislation only applies to England, although there is also similar legislation in Wales.

A person who is required to self-isolate must remain at a specified address (usually their home) for 10 days. They can only leave their home in limited circumstances.

It is a criminal offence for a person to fail to self-isolate. Fines begin at £1,000 for the first offence and £4,000 if a person breached self-isolation, had reason to believe they would come into close contact with someone and were reckless as to the consequences.

It is also an offence for an employer to knowingly allow a self-isolating person to leave the place at which they are self-isolating. Fines for employers also start at £1,000.

On 20 September the Government announced a new £500 lump sum 'Test and Trace Support Payment' for people on low incomes required to self-isolate, who cannot work during their self-isolation period. This followed an earlier announcement of pilots for a new scheme providing payments of up to £182 for people in areas with high COVID-19 rates who are required to self-isolate. The Test and Trace Support Payment supersedes these plans.

To qualify for a Test and Trace Support Payment, a person must be employed or self-employed, and must normally be receiving certain benefits or tax credits. The Government estimates that just under 4 million people will be eligible for the Payment. Local authorities administer the scheme, on behalf of the Department of Health and Social Care.

The scheme applies in England only, although both the Scottish and Welsh Governments have announced similar schemes. In Northern Ireland, people can apply for a non-repayable Discretionary Support self-isolation grant if they are on a low income and are experiencing financial difficulties as a result of being told to self-isolate.

# 1. Requirement to self-isolate

## Q1. When is there a legal obligation to self-isolate?

The UK Government and the NHS published advice on self-isolation as far back as February 2020. The guidance was not legally binding, although the public health officers were given the power to require a person to isolate if they had tested positive or someone who was potentially symptomatic.<sup>1</sup>

On 28 September, the UK Government introduced mandatory self-isolation through the [Health Protection \(Coronavirus, Restrictions\) \(Self-isolation\) \(England\) Regulations 2020](#).

The Regulations only apply in England. There is [equivalent legislation in Wales](#) but not in Scotland or Northern Ireland.<sup>2</sup>

The Regulations require a person to self-isolate if they are notified that they have tested positive for COVID-19 or are told by NHS Test and Trace that they have been in close contact with a person who has tested positive. This includes notification from the health services and local authorities. Notification can be via text, email, letter or phone call. However, a person is not required to self-isolate under the Regulations if they only receive a notification through the NHS COVID-19 app.<sup>3</sup>

The UK Government [guidance on self-isolation](#) says that a person must self-isolate following a positive test from either a lateral flow device (LFD) or Polymerase Chain

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<sup>1</sup> Schedule 21, [Coronavirus Act 2020](#)

<sup>2</sup> Part 3, [Health Protection \(Coronavirus Restrictions\) \(No. 5\) \(Wales\) Regulations 2020](#)

<sup>3</sup> Reg. 2, [Health Protection \(Coronavirus, Restrictions\) \(Self-isolation\) \(England\) Regulations 2020](#)

Reaction (PCR) test. However, it says that if a person had a positive LFD test but subsequently has a negative PCR test, they can stop self-isolating.

A person who has tested positive must provide the names of everyone in their household.

The guidance on self-isolation says that if a close contact develops symptoms during their self-isolation period, they should arrange to get a PCR test themselves.

The UK Government [guidance for close contacts](#) says that if a person is notified that they were in close contact with someone who has tested positive, they will have to self-isolate but others in their household will not have to.

The Regulations do not require a person who is symptomatic to get a test and, strictly speaking, it is not a breach of the Regulations for a person who is symptomatic to leave their home. However, the guidance on self-isolation clear says a person must begin self-isolating when symptoms first show.

### **Alternative to self-isolation for close contacts**

On 23 November, the Government published the [COVID-19 Winter Plan](#). In the Plan the Government announced that it is looking at using rapid testing to end the need for automatic self-isolation for close contacts of people who test positive for COVID-19. Instead of self-isolating, close contacts could choose to receive a rapid test for seven consecutive days and would only be required to isolate if they test positive.<sup>4</sup>

The Plan says that this system is currently being piloted in Liverpool and if it is successful it could be rolled out nation-wide in early 2021.

### **Self-isolation after international travel**

Since June 2020, there have been rules requiring people arriving in the UK from outside of the Common Travel Area to self-isolate at a specified address. However, as these people are not eligible for 'Test and Trace Support Payments' these rules are not discussed in this paper. Further information on self-isolation after travel (quarantine) can be found in the Library Briefing, [Coronavirus: Quarantine and employment rights \(CBP-8986\)](#).

## **Q2. What does self-isolation involve?**

A person who is required by the Regulations to self-isolate must remain in either their home or the home of a friend or family member.

There are only limited circumstances in which a self-isolating person may leave the home:

- To seek urgent medical or veterinary assistance;
- To fulfil a legal obligation (e.g. attending court);
- To avoid a risk of harm;
- To attend the funeral of a close family member;
- To obtain basic necessities (e.g. food) if there is no [alternative way to obtain them](#);
- To access critical public services;
- To move homes if it becomes impracticable to remain at their address.

There are also certain exemptions from the duty to self-isolate for people who are participating in approved coronavirus related research.<sup>5</sup>

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<sup>4</sup> HM Government, [COVID-19 Winter Plan](#), CP 324, November 2020, para. 40

<sup>5</sup> Regs. 2(2A), *Health Protection (Coronavirus, Restrictions) (Self-isolation) (England) Regulations 2020*

### Q3. How long does a person have to self-isolate?

The date on which a person must legally begin self-isolation depends on different factors.<sup>6</sup>

- If a person **tested positive and had symptoms**, they must self-isolate for 10 days starting from the later of: a) the day after symptoms started; or b) if their symptoms started more than five days before their test, the fourth day before their test.

**Example:** Person A's symptoms began on 6 January and they tested on 10 January. Their 10-day isolation will begin on 7 January (the day after their symptoms started). Person B's symptoms began on 4 January and they tested on 10 January. Their 10-day isolation will begin on 6 January (the fourth day before the date of their test).

- If a person has **tested positive but had no symptoms**, they must self-isolate for 10 days starting from the day after the date of their test.
- The Government [guidance on self-isolation](#) says that if a person **tested positive but only developed symptoms during their isolation period**, they should isolate for a further 10 days from the day after symptoms began. It is not clear that this is a legal requirement, although the legislation could be interpreted this way.
- If a person is **notified that someone in their household has tested positive and that person had symptoms**, the person who is notified must self-isolate for 10 days, starting from the later of: a) the day after the person in their household first had symptoms; or b) if the person in their household first had symptoms more than five days before they took a test, the fourth day before that test.

**Example:** Person A lives with Person X. Person X's symptoms began on 6 January and they tested on 10 January. Person A's 10-day isolation will begin on 7 January (the day after Person X's symptoms started). Person B lives with Person Y. Person Y's symptoms began on 4 January and they tested on 10 January. Person B's 10-day isolation will begin on 6 January (the fourth day before the date of Person Y's test).

- If a person is **notified that someone in their household has tested positive and that person did not have symptoms**, the person who is notified must self-isolate for 10 days starting from the day after the person in their household took their test.
- If a person is **notified that they were in close contact with a person who tested positive but they do not live with that person**, the person who is notified must self-isolate for 10 days starting from the last day after the date on which they came into contact with the person who tested positive.

### Q4. What is the penalty for not self-isolating?

There are various levels of fixed penalty notices (FPNs) that can be issued to a person for breaching the Regulations.<sup>7</sup>

If a person fails to self-isolate they can be issued an FPN starting at £1,000 for the first offence. If a person breaches self-isolation, has reason to believe they will come into close contact with someone, comes into contact with someone and is reckless as to the consequences, they can be issued an FPN starting at £4,000 for the first offence.

If a person knowingly gives false information to NHS Test and Trace they can be issued an FPN starting at £1,000 for the first offence. If a person fails to inform their employer that they are required to self-isolate they can be issued an FPN of £50.

<sup>6</sup> Reg. 3, *Health Protection (Coronavirus, Restrictions) (Self-isolation) (England) Regulations 2020*

<sup>7</sup> Regs. 11 and 12, *Health Protection (Coronavirus, Restrictions) (Self-isolation) (England) Regulations 2020*

## Q5. Can a person who is self-isolating refuse to go to work?

Under the Regulations, a person who is required to self-isolate must notify this to their employer.<sup>8</sup> The Regulations make it an offence for an employer (including hirers in agency working arrangements) to knowingly allow a self-isolating person to leave their home.<sup>9</sup>

More generally, employees are protected from detriments and dismissal if they refuse to attend the workplace to protect themselves or others from what they reasonably believe to be a serious and imminent danger.<sup>10</sup> This could cover employees who refuse to go to the workplace because they are showing symptoms of COVID-19. The UK Government's [health and safety guidance](#) is clear that employers must ensure that any employee who displays symptoms of COVID-19 self-isolates.

Further information on employment rights and returning to work can be found in the Library Briefing, [Coronavirus: Returning to work \(CBP-8916\)](#).

## Q6. Is a self-isolating person entitled to Statutory Sick Pay?

An employee is entitled to [Statutory Sick Pay](#) (SSP) if they are incapable for work for four or more consecutive days because of a disease or disablement.<sup>11</sup> The right is only available to those who are 'employees' for tax purposes. This excludes many workers in the gig economy.<sup>12</sup> In addition, employees are only eligible for SSP if they earn more than £120 per week on average. SSP is a reserved matter for Scotland and Wales but is a devolved matter in Northern Ireland.

Under the [Statutory Sick Pay \(General\) Regulations 1982](#), there are circumstances in which a person can be 'deemed' to be incapable for work. The regulations have been amended so that those who are self-isolating are deemed to be incapable for work.<sup>13</sup> This includes:

- Employees who have symptoms of COVID-19;
- Employees who live with someone who has symptoms;
- Employees who are isolating because they live with someone who has symptoms who have to extend their isolation because they develop symptoms themselves;
- Employees who have been notified that they are a close contact of a person who has tested positive for COVID-19;
- Employees who have been notified that they have tested positive for COVID-19;
- Employees who live with someone who has been notified that they have tested positive for COVID-19; and
- Employees who have received a pre-surgery notification asking them to self-isolate.

SSP is paid at a rate of £95.85 per week. It is normally paid from the fourth day of absence from work. However, where an employee's absence is related to coronavirus, this rule is disapplied, meaning SSP is payable from the first day of absence from work.<sup>14</sup>

Employers with fewer than 250 employees can claim two weeks' worth of coronavirus-related SSP payments from the [Statutory Sick Pay Rebate Scheme](#). They can make more than one claim per employee but only up to a total of two weeks' worth of SSP.

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<sup>8</sup> Reg. 8, *Health Protection (Coronavirus, Restrictions) (Self-isolation) (England) Regulations 2020*

<sup>9</sup> Reg. 7, *Health Protection (Coronavirus, Restrictions) (Self-isolation) (England) Regulations 2020*

<sup>10</sup> Sections 44 and 100, *Employment Rights Act 1996*.

<sup>11</sup> Section 151, *Social Security Contributions and Benefits Act 1992*

<sup>12</sup> *R. (Adiatu) v HM Treasury* [2020] EWHC 1554 (Admin)

<sup>13</sup> Schedule 1, *Statutory Sick Pay (General) Regulations 1982* (NB. at the time of writing the regulations are not fully up-to-date on [legislation.gov.uk](#))

<sup>14</sup> *Statutory Sick Pay (Coronavirus) (Suspension of Waiting Days and General Amendment) Regulations 2020*

A recent Resolution Foundation report, [Time Out](#), has highlighted that the statutory rate of sick pay in the UK covers just over 10 per cent of an eligible employee's wages, compared to 60 per cent on average across the OECD. They also estimated that 2 million low-paid workers (those who earn below £120 per week on average) are excluded from SSP. The report suggests that many workers will be unable to afford to take time off to self-isolate which could push some to go to work, posing a public health risk. They argue that a solution would be to allow employers furlough employees who are self-isolating and claim 80% of their wages under the Coronavirus Job Retention Scheme (CJRS).<sup>15</sup> [HMRC guidance on eligibility for the CJRS](#) currently says that employers should not furlough employees for short-term sickness or self-isolation, although employers can continue to claim for self-isolating employees who were furloughed for another reason.<sup>16</sup>

The Trades Union Congress (TUC) has called on the Government to increase the rate of SSP to the rate of the living wage (£326 per week) and make it available to all workers.<sup>17</sup>

The Government has said that the current rate of SSP balances the needs of employees with the cost for employers and that the UK has a strong safety net, including Universal Credit and Employment Support Allowance.<sup>18</sup>

## 2. Test and Trace Support Payments

The answers below draw mainly from the [Briefing and Q&A for Local Authorities on changes to Self-Isolation](#), issued by the Department of Health and Social Care (DHSC) in September (hereinafter referred to as the 'Q&As briefing') and available at the Local Government Association website. This gives information on the eligibility criteria for payments, the role of local authorities in administering the scheme, and funding arrangements. The Q&As briefing does not however give information on the statutory basis for the scheme.

Also available at the LGA website is the DHSC guidance, [The Test and Trace Support Payment Scheme: Implementation Guide for Local Authorities in England](#) (Version 0.2, 30 September 2020). We refer to this below as the 'Implementation Guide.'

Information on corresponding developments in Scotland, Wales and Northern Ireland is given at the end of this Commons Library briefing.

The Low Incomes Tax Reform Group has also produced a factsheet, [Coronavirus: £500 Test and Trace Support Payment](#) (updated on 21 December), covering frequently asked questions.

### Q7. What are Test and Trace Support Payments?

The Test and Trace Support Payment is a £500 lump sum payment for those in England on low incomes who are required to self-isolate, to support them if they cannot work during their self-isolation period. The scheme was [first announced](#) on 20 September 2020 and applies to people notified to self-isolate on or after 28 September, when the [new legal duty came into force](#) in England requiring individuals to self-isolate if they test positive for coronavirus or are identified as a contact by NHS Test and Trace. The scheme will run until 31 January 2021.

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<sup>15</sup> Mike Brewer and Maja Gustafsson, [Time out: Reforming Statutory Sick Pay to support the COVID-19 recovery phase](#), Resolution Foundation, 8 December 2020

<sup>16</sup> [FAQs: Coronavirus Job Retention Scheme](#), Commons Library Briefing Paper CBP-8880, 17 Dec 2020 (Q20)

<sup>17</sup> Alex Collinson, [Why we need an increase in statutory sick pay](#), TUC, 9 September 2020

<sup>18</sup> [PO129052 \[on Statutory Sick Pay\]](#), 14 December 2020

The Government had [previously announced](#) on 27 August that an earlier iteration of this scheme would be piloted in parts of the North West of England. This made payments of up to £182 to people on low incomes in areas with high rates of COVID-19 who were required to self-isolate because they had tested positive and their contacts, and could not work from home. These proposals were criticised by [the TUC](#) and others for providing inadequate support for people having to self-isolate, and focusing only on areas subject to local lockdowns. The Test and Trace Support Payment supersedes this earlier scheme that was being piloted.

## Q8. Why has the Test and Trace Support Payment been introduced?

The 20 September [Downing Street press release](#) announcing the scheme said that the £500 payments “will ensure that those on low incomes are able to self-isolate without worry about their finances.” The DHSC’s [Q&As briefing](#) states:

The Test and Trace Support Payment has been introduced in response to feedback from local authorities and directors of public health that some of their residents were struggling to self-isolate as directed due to financial constraints. It is to help ensure that people on low incomes self-isolate when they test positive or are identified as a contact, and to encourage more people to get tested. This will help to reduce the transmission of COVID-19 and avoid further societal and economic restrictions, including local lockdowns.

In August, the Multidisciplinary Task and Finish Group on Mass Testing (TFMS) established to advise the Government’s Scientific Advisory Group for Emergencies (SAGE) had advised that mass testing for COVID-19 can only lead to decreased transmission if individuals with a positive test rapidly undertake effective isolation, and that if this was to become a universal response it might need “structured financial and social support both to promote self-isolation and mitigate impacts on inequalities.”<sup>19</sup> A supporting paper written by the TFMS Behavioural Team highlighted that while willingness to self-isolate is similarly high across all income and wealth groups, research had found that self-reported ability to self-isolate or quarantine is three times lower in those with incomes less than £20,000 or savings less than £100.<sup>20</sup>

## Q9. Who is eligible for a Test and Trace Support Payment?

To be eligible for the Test and Trace Support Payment, a person must:

- have been asked to self-isolate by NHS Test and Trace either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive;
- be employed or self-employed;
- be unable to work from home and will lose income as a result; and
- be currently receiving Universal Credit, Working Tax Credit, income-related Employment and Support Allowance, income-based Jobseeker’s Allowance, Income Support, Housing Benefit and/or Pension Credit.

However, there is also a “discretionary fund” which allows local authorities “flexibility to support individuals who require corresponding financial support to self-isolate while falling outside [the] strict eligibility criteria.”<sup>21</sup>

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<sup>19</sup> TFMS, [Consensus statement on mass testing](#), 31 August 2020, para 15

<sup>20</sup> TFMS Behavioural Team, [Behavioural Considerations](#), para 10

<sup>21</sup> [Q&As briefing](#), p7

The DHSC's Implementation Guide states that the discretionary payment is for people meeting the conditions set out in the first three bullets above but not currently receiving a qualifying benefit, who are on low incomes and will face financial hardship as a result of not being able to work while they are self-isolating. It also states that local authorities can introduce additional criteria to determine eligibility for discretionary payments in their area, "as long as these operate in addition to, rather than instead of, [these] criteria."<sup>22</sup>

The Q&As briefing also states that if a local authority identifies that someone may qualify for benefits they are not currently claiming, it "should advise them on how to do this."<sup>23</sup>

The scheme only applies to people notified to self-isolate on or after 28 September. Where a person is notified to self-isolate more than once, a separate claim can be made for each period of self-isolation. They will have to meet the eligibility criteria, and provide the necessary supporting evidence, separately for each claim.<sup>24</sup>

Claims are made by, and payments made to, individuals. If more than one person in a household qualifies, they can each receive a payment.

The New Policy Institute (NPI) argues that to ensure that everyone who ought to self-isolate does so, the qualifying benefits test should be abandoned and that any worker told to self-isolate and who cannot work from home, regardless of their income level, should be eligible for a Test and Trace Support Payment. It estimates that, had all workers been eligible for a Payment, the total gross cost of the scheme for the period up to 1 January 2021 would have been around £1 billion. The NPI argues that "in the circumstances, this is not a large sum", noting the £840 million cost of the 'Eat Out to Help Out' scheme and the near £70 billion total amount the Government has committed so far to support public services through the pandemic.<sup>25</sup>

### **Q10. Are people notified to self-isolate by the NHS app eligible for the Payment?**

Yes, but only since 10 November.

Initially, the Test and Trace Support Payment could only be paid to people who were contacted by NHS Test and Trace by phone, email, text or letter, and notified that they must self-isolate. People who were only notified to self-isolate by the NHS app could not receive the payment.

A BBC News report on 23 October said that the DHSC had indicated that it was "actively exploring" how the Test and Trace Support Payment scheme could be expanded to app users, adding:

But it is not clear exactly how this could be done without compromising the anonymity which is guaranteed to users when they install the app. There will also be concern that offering payments to app users who are sent isolation alerts may encourage fraud.<sup>26</sup>

On 24 November Sky News reported that plans for a technical fix had been drawn up and signed off by the Treasury and Downing Street, but would not be in place for the

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<sup>22</sup> [Implementation Guide](#), p4

<sup>23</sup> [Q&As briefing](#), p7

<sup>24</sup> [Q&As briefing](#), p10

<sup>25</sup> Josh Holden and Peter Kenway, [Missing in action: what's wrong with the "test and trace support payment scheme" and how to fix it](#), NPI blog, 31 December 2020; and [Test and trace: paying the £500 to all workers who need it will show society's support for those must self-isolate](#), NPI blog, 4 January 2021

<sup>26</sup> [COVID-19 app users can't get isolation payment](#), BBC News, 23 October 2020



expected end of England's lockdown on December 2.<sup>27</sup> The DHSC subsequently announced that from 10 December NHS app users in England instructed to isolate via the app would be able to claim the Test and Trace Support Payment, providing they meet the eligibility criteria.<sup>28</sup>

Further information is given at the NHS website on the steps people notified to self-isolate by the NHS app need to take to claim a payment – see [How can I apply for the NHS Test and Trace Support Payment if the NHS COVID-19 app has told me to self-isolate?](#)

### **Q11. Will people with 'no recourse to public funds' be eligible for the Payment?**

The Immigration Rules have not been amended to provide that the Test and Trace Support Payment counts as 'public funds'. However, all of the qualifying benefits count as public funds, so a person with 'no recourse to public funds' would not be able to satisfy the usual criteria for a Payment.

Where an individual is not in receipt of a qualifying benefit but meets the other eligibility criteria and could face financial hardship if they have to self-isolate, local authorities can make a discretionary payment (see Q9 above). Depending on their individual circumstances, people who have no recourse to public funds may therefore be eligible for a discretionary payment.<sup>29</sup>

### **Q12. Will parents of self-isolating children be eligible for the Payment?**

A person is only eligible for a Payment if they are told to self-isolate because they have tested positive or came into close contact with someone who tested positive (see Q9).

The parent of a child who has tested positive will likely have to self-isolate as they will have been in close contact with the child. As such, they could be eligible for the Payment. They could also be eligible for Statutory Sick Pay (SSP).<sup>30</sup>

The parent of a child who has been notified that they were in close contact with someone who has tested positive will be responsible for ensuring that the child self-isolates but will not have to self-isolate themselves.<sup>31</sup> They would not meet the eligibility criteria for the Payment.<sup>32</sup> They would also not be entitled to SSP.

If the parent of a self-isolating child is not themselves required to self-isolate, they may need to use annual leave or take unpaid time off for dependents. For further information see [Acas: If an employee needs time off work to look after someone.](#)

Both the Scottish and Welsh governments have extended the eligibility criteria for their self-isolation support schemes (see Q22) to include working parents of children told to self-isolate.<sup>33</sup> At Westminster, parliamentary questions have been tabled asking the UK Government whether it will extend the criteria for the Test and Trace Support Payment in

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<sup>27</sup> [COVID-19 app payment loophole won't be fixed by the end of England lockdown](#), Sky News, 24 November 2020

<sup>28</sup> [New NHS Test and Trace plan to support return to more normal way of life](#), DHSC press release

<sup>29</sup> [PQ 98862 25 November 2020](#)

<sup>30</sup> Para. 3 of Schedule 1, *Statutory Sick Pay (General) Regulations 1982*

<sup>31</sup> Reg. 2(2)(c), *Health Protection (Coronavirus, Restrictions) (Self-isolation) (England) Regulations 2020*

<sup>32</sup> [PQ HL9485 19 November 2020](#)

<sup>33</sup> [More people can claim Self-Isolation Support Grant](#), Scottish Government press release, 30 November 2020; Welsh Government, [Written Statement: Self-Isolation Support Scheme for parents and carers](#), 7 December 2020; [£500 payment scheme now open to parents and carers of children required to self-isolate](#), Welsh Government press release, 7 December 2020

England to include parents of children told to self-isolate (see for example [PQ 128989](#), [PQ HL11308](#), and [PQ 127493](#)).

### Q13. Will Payments be subject to Tax and National Insurance?

Payments will not be subject to National Insurance contributions<sup>34</sup>, but will be subject to income tax. The Department of Health and Social Care says that it “will work with local authorities on the appropriate process to ensure that central government can collect income tax.”<sup>35</sup>

The Low Incomes Tax Reform Group’s briefing, [Coronavirus: £500 Test and Trace Support Payment](#), includes further comment on the income tax arrangements for employees and for the self-employed.

### Q14. How will the Payment affect other benefits a person receives?

A Department of Health and Social Care press release issued on the day the new legal duty to self-isolate came into force stated that individuals will receive the Test and Trace Support Payment “on top of any Statutory Sick Pay or benefits they receive.”<sup>36</sup>

In its briefing on the Test and Trace Support Payment, the Low Incomes Tax Reform Group states that it understands the Payment will not count as income for tax credits or Universal Credit, which it notes would be “a logical step and follows the treatment of payments under the earlier self-isolation payment scheme piloted in parts of England.”<sup>37</sup>

The DHSC’s Implementation Guide confirms that Test and Trace Support Payments “will be disregarded when calculating eligibility for other benefits”, and that this includes Universal Credit. It adds: “We will provide further clarification on whether it affects entitlement to council tax reduction.”<sup>38</sup>

### Q15. Who is administering the Payment scheme?

Local authorities in England (unitary authorities, and district councils in two-tier areas) will deliver the Test and Trace Support Payment, with the costs (including the administrative costs to set up and operate the scheme) reimbursed by the UK Government. The Government expected local authorities to have schemes in place by 12 October. Payments to individuals may be backdated for people notified to self-isolate on or after 28 September.

The DHSC’s Q&As briefing states that local authorities “will need to have staff in place to verify eligibility, process applications and make payments, and access to the right data sources [to verify that the information provided by applicants is correct].”<sup>39</sup>

### Q16. How is the scheme to be funded?

In total, the UK Government is providing £50 million for the Test and Trace Support Payment and corresponding discretionary payments, for the full four months of the scheme up to 31 January 2021. This comprises:<sup>40</sup>

- £25 million for programme costs (i.e. payments made to applicants), excluding discretionary payments

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<sup>34</sup> [The Social Security Contributions \(Disregarded Payments\) \(Coronavirus\) \(England\) Regulations 2020; SI 2020/1065](#)

<sup>35</sup> [Q&As briefing](#), p3. See also pp19-20 and Appendix 2 of the [Implementation Guide](#)

<sup>36</sup> [New legal duty to self-isolate comes into force today](#), 28 September 2020

<sup>37</sup> LITRG, [Coronavirus: £500 Test and Trace Support Payment](#), updated 21 December 2020

<sup>38</sup> [Implementation Guide](#), p20

<sup>39</sup> [Q&As briefing](#), p5

<sup>40</sup> [Implementation Guide](#), pp19-20

- £10 million for administration costs
- £15 million for discretionary payments

The DHSC's Implementation Guide explains:

The £25 million and £10 million are both "down-payments", based on expected programme and administration costs.

The £25 million programme costs will be subject to reconciliation, which could mean an authority may need to return funding if the number of payments made is less than their allocation. Other local authorities may need a top up payment where they make payments that exceed their initial allocation.

The £10 million for administrative cost is not subject to a reconciliation process. Additional funding may be provided as necessary, informed by the experience of the programme. The administrative funding has been designed to cover the estimated costs of both setting up the scheme and running the scheme, but it will not be possible to match funding to the specific costs incurred by individual local authorities.

The £15 million for discretionary payments is a fixed four-month envelope that will not be topped up or subject to a reconciliation process.<sup>41</sup>

The Implementation Guide also gives details of how the funding allocations for local authorities were determined.<sup>42</sup> The £15 million for discretionary payments has been allocated according to the Ministry of Housing, Communities and Local Government (MHCLG)'s COVID-19 Relative Need Formula (RNF)<sup>43</sup> for the lower tier local authorities (with slightly different rules for the Isles of Scilly).

Comprehensive data on the number of Payments awarded is not available, but media reports at the end of November and the beginning of December suggested that some local authorities had already spent their full allocations for discretionary payments, while for others the funding would soon be exhausted.<sup>44</sup>

A Resolution Foundation briefing note published on 8 December, [Time out: Reforming Statutory Sick Pay to support the COVID-19 recovery phase](#), noted that while little detailed data was available, early evidence from local authorities in the Yorkshire and the Humber region suggested that there was a mismatch between funding and need. The report recommended, among other things, that the Government extend Test and Trace Support Payments beyond 31 January, and review the formula for paying local authorities for discretionary payments so that it relates directly to local infection rates.

## Q17. How do people apply for a Test and Trace Support Payment?

Each local authority is expected to have in place its own online application system (with an alternative system for "non-digital users").

To apply, prospective claimants are required to complete an online form (or complete a telephone application if digitally excluded) and provide:<sup>45</sup>

- the notification from NHS Test and Trace asking them to self-isolate;
- proof of receipt of one of the qualifying benefits;

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<sup>41</sup> [Implementation Guide](#), p21

<sup>42</sup> [Implementation Guide](#), pp21-22

<sup>43</sup> A separate [Technical note on local government finance COVID-19 package](#) gives details of the formula

<sup>44</sup> "[Thousands refused help to self-isolate by cash-strapped English councils](#)", Guardian, 30 November 2020; "[Only a few hundred people told to self-isolate receive £500 help pledged by Boris Johnson in most cities](#)", Independent, 6 December 2020

<sup>45</sup> [Q&As briefing](#), p6; [Implementation Guide](#), p6

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- a bank statement (as a basic up-front fraud check); and
- proof of employment or, if self-employed, evidence of self-assessment returns, trading income and proof that their business delivers services which cannot be undertaken without social contact

Local authorities will need to design their own online application form. An example is given in [Appendix 3](#) of the DHSC's Implementation Guide.

As applicants will be self-isolating at home, local authorities will need to have in place arrangements to allow applicants to submit evidence electronically, wherever possible. The DHSC Q&As briefing states: "This means local authorities should accept scans, photographs, screenshots and downloads of documents (e.g. PDF downloads of bank statements)." <sup>46</sup>

On receipt of an application, the local authority will need to verify the evidence provided before making the payment to the individual. <sup>47</sup>

Local authorities will not be required to provide a right of appeal against any decision not to award a Test and Trace Support Payment or a discretionary payment. The DHSC emphasises however that local authorities "should work with applicants to make sure they provide the necessary evidence to support a successful application", and give people the opportunity to provide further evidence if they have it rather than rejecting their claim. <sup>48</sup>

### Q18. How will payments be made?

The DHSC's Implementation Guide states that all Test and Trace Support Payments and discretionary payments should be made within three days of the local authority receiving an eligible application, as a single payment to the bank account matching the bank statement provided by the applicant. <sup>49</sup>

The Q&As briefing states that the DHSC would "work with local authorities to determine the most efficient way to pay people without a bank account, or whose bank account is overdrawn." <sup>50</sup> As regards applicants who are overdrawn, the Implementation Guide states:

Local authorities may wish to provide information to people on how to exercise their first right of appropriation on the £500 payment, so their bank doesn't use it to pay their overdraft. Guidance from Bradford Council and an example template can be seen in this [link](#). Local authorities may also wish to produce a similar template that can be shared with eligible individuals who are overdrawn. <sup>51</sup>

### Q19. What if a recipient of a payment fails to self-isolate?

The Q&A's briefing states that local authorities "should focus on encouraging, educating and supporting self-isolation compliance", and that they "should pass on the details of anyone they suspect of breaking the rules to the police." <sup>52</sup>

The Implementation Guide states:

If a local authority becomes aware, either through post-payment verification checks or through other means, that someone has not self-isolated, they will need to refer the

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<sup>46</sup> [Q&As briefing](#), p6

<sup>47</sup> For further information on verification requirements and processes see the [Q&As briefing](#), pp6-7, and [Implementation Guide](#), pp14-16

<sup>48</sup> [Implementation Guide](#), p17

<sup>49</sup> [Implementation Guide](#), pp6, 16-17

<sup>50</sup> [Q&As briefing](#), p9

<sup>51</sup> [Implementation Guide](#), p17

<sup>52</sup> [Q&As briefing](#), p7

case to the police. Guidance will follow on how to handle recovery of the payments made to the individual.<sup>53</sup>

## Q20. What happens if a local authority suspects fraud?

The Q&A's briefing states that if local authorities suspect fraud, they should "escalate this to the police who can determine what follow-up action to take."<sup>54</sup>

The Implementation Guide adds:

Local authorities will be responsible for fraud-prevention measures. Discussions are currently underway around best practices to bolster counter-fraud measures and guidance will be issued in due course. This includes information on post-payment verification checks.

Local authorities will have the right to recover costs from people who claim the payment fraudulently and can keep any money recovered to put towards your costs of running the scheme. Local authorities will not be liable for any unrecoverable costs due to fraud.<sup>55</sup>

## Q21. What has the Opposition said about Test and Trace Support Payments?

On 17 November the Shadow Chancellor, Anneliese Dodds, [wrote to the Chancellor of the Exchequer](#), Rishi Sunak, highlighting what she said were "several flaws" in the Test and Trace Support Payment scheme that had arisen since its introduction. These included:

- The fact that Payments were only automatically offered to recipients of qualifying benefits excluded significant numbers of workers, including "many of the lowest paid."
- People told to self-isolate by the NHS app not at that time being eligible for the Payment.
- Instances where people had been refused the Payment because benefits were paid to their partner.
- Lack of clarity on whether households with "No Recourse to Public Funds" (NRPF) could receive a discretionary payment.
- Parents and carers of children who are self-isolating not being eligible for a Payment.
- The absence of an undertaking by the Government to top up local authorities' funding for discretionary payments, should this run out. Labour had heard from local authorities who expected to run out of funds for discretionary payments in November.

Ms Dodds called on the Government to take "urgent steps" including:

- Expand eligibility for the Test and Trace Support Payment to include people notified to self-isolate via the NHS app, and "suspend the NRPF rule for the scheme."
- Carry out "an urgent assessment of the financial barriers to self-isolation, including the level of Statutory Sick Pay."
- Improve communications nationally and locally to advertise what support is available for people to self-isolate.

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<sup>53</sup> [Implementation Guide](#), p20

<sup>54</sup> [Q&As briefing](#), p8

<sup>55</sup> [Implementation Guide](#), p20

- Increase transparency with “regular government data releases on self-isolation compliance and information on how local authorities and distributing [Test and Trace Support Payments].”

For further information on issues with Test and Trace Support Payments identified by the Opposition and by other organisations see [‘COVID: Call to expand £500 grant for COVID self-isolators’](#), BBC News, 22 November.

### Q22. What’s happening in Scotland, Wales and Northern Ireland?

A DHSC press release issued on 28 September stated, in relation to the Test and Trace Support Payments scheme:

This will initially be England-only, but we are engaging with devolved administrations to explore opportunities for a UK-wide scheme seeking as much alignment as possible.<sup>56</sup>

Both the Welsh Government and the Scottish Government said that they also intended to make £500 payments to workers required to self-isolate.

Responding to a question following his statement to the Senedd Cymru/Welsh Parliament on 23 September, the First Minister in Wales, Mark Drakeford, said:

...we will look to see whether the discretionary assistance fund, which... has made over 73,600 emergency coronavirus payments to people in Wales, providing more than £4.6 million in assistance to people during this pandemic, is the best vehicle for getting the £500 as quickly and as unbureaucratically to people as possible.<sup>57</sup>

The [Discretionary Assistance Fund](#) provides for similar needs to local welfare assistance schemes in England.

In Scotland, the Scottish Government announced that applications for the £500 payment – to be known as the Self-Isolation Support Grant – were due to open from 12 October, and would be delivered through the existing [Scottish Welfare Fund](#), which is administered by local authorities. The Grant is for those who would face financial hardship due to being asked to self-isolate, and is targeted at people in receipt of Universal Credit or legacy benefits, with some discretion to make awards to others in financial hardship.<sup>58</sup>

£500 lump sum payments are not available in Northern Ireland, but people diagnosed with COVID-19 or advised to self-isolate in accordance with official guidance can apply for a non-repayable [Discretionary Support self-isolation grant](#) if they are on a low income and are experiencing financial difficulties as a result of being told to self-isolate. Between their introduction on 25 March and 31 October 2020, the Department for Communities awarded 14,800 self-isolation grants with a total value of £2.1 million.<sup>59</sup> In a statement to the Northern Ireland Assembly on 17 November, the Minister for Communities, Ní Chuilín, announced further immediate “enhancements” to the scheme:

In practical terms, my Department will now use higher daily rates of benefit when calculating the amount of an award. Decision makers will also be expected to take into account the impact of the financial shock of self-isolation when calculating the number of days for which to make an award. That is appropriate as a sudden and temporary reduction in normal income levels will mean that a person is at greater risk

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<sup>56</sup> [New legal duty to self-isolate comes into force today](#), 28 September 2020

<sup>57</sup> [Statement by the First Minister: Keeping Wales Safe from Coronavirus](#), Senedd Cymru/Welsh Parliament, 23 September 2020

<sup>58</sup> [New grant for those self-isolating](#), Scottish Government press release, 30 September 2020. See also [a letter from Cabinet Secretary for Social Security and Older People, Shirley-Anne Somerville MSP, to the Convenor of the Scottish Parliament’s Social Security Committee](#), 30 September 2020

<sup>59</sup> [Northern Ireland Assembly](#), 17 November 2020

of experiencing hardship. Therefore, an award of living expenses to cover the whole period of self-isolation should always be considered.<sup>60</sup>

Ms Chuilín said that she believed firmly that the self-isolation grant offered “an enhanced overall package when compared to other areas.” The Minister noted that the schemes in England, Scotland Wales offer a fixed taxable amount regardless of family circumstances, and are limited to those told to self-isolate by NHS Test and Trace, who must also prove that they are unable to work and have lost income as a result, adding:

The self-isolation payments that are available here are targeted at those who are in need and are always assessed based on their personal circumstances. That means that, rather than making a fixed payment that does not take account of the size of a family, we will always take into account all dependent children and include them in an award. For example, under the new rules, a couple with three children can receive £683 of discretionary support to cover a period of 14 days. That payment is not taxable and further awards can be made if the family continues to find themselves in a crisis situation. Those payments will also not affect any future applications to the discretionary support scheme. The self-isolation payments can be made if a person is self-isolating because they or someone else in their household is displaying symptoms. Entitlement is not restricted to those who have been contacted and told to self-isolate.<sup>61</sup>

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<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

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