

## Working enough regime

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### Aim

Claimants who are working enough are expected to continue to maintain their earnings. They understand the benefits of work and are encouraged to increase their household / individual earnings over time to become independent from Universal Credit.

### Characteristics

Those claimants whose earnings are over the individual or household Conditionality Earnings Threshold (CET), or self-employed and Minimum Income Floor (MIF) applies.

This includes:

- a single claimant with earnings equal to or above their individual CET
- claimants in a household where the total earnings are equal to or above the CET for that household
- claimants undertaking an apprenticeship with earnings
- self-employment where the MIF applies

### Conditionality Earnings Threshold

CET ensures that claimants earning equal to or above a certain level are not asked to carry out work-related activity.

A claimant's / couple's gross earnings are used when assessing conditionality.

The CET is calculated on an individual basis, by multiplying the National Minimum Wage (NMW) for the claimant by the hours a claimant would normally be expected to undertake work-related activity (up to a maximum of 35 hours).

The number of hours a claimant is expected to undertake is flexible, determined by their individual circumstances such as health, caring responsibilities or other circumstances, and can be tailored for the claimant.

The CET for a household is a combination of the individual expected CET of each of the adults (joint claimants or including an ineligible partner of a claimant) in the household and varies between different households. In a couple household, if one of the adults earns equal to or above the household CET, both claimants are placed in the working enough regime, regardless of whether they are both working or not.

For example: for claimants with expected hours of 35 hours a week the CET will be:

- for an individual = £National Minimum Wage (NMW) x 35 x 1
- for two adults in a household = (£NMW x 35) + (£NMW x 35)

If a single claimant has earnings equal to or above their individual CET, they fall into the Working enough regime.

For claimants with expected hours of less than 35 their CET will be their expected hours multiplied by their individual NMW.

To calculate the monthly figure this is then multiplied by 52 and divided by 12. The calculation should be rounded down to the nearest £1.00 in favour of the claimant when allocating to the regime.

For example: if NMW= £6.70, the calculation would be:

- £6.70 x 35 = £234.50pw x 52 = £12194.00 divided by 12 = £1016.16, rounded down to nearest £1.00, the final figure is £1016pcm

All monetary amounts are subject to annual uprating. NMW is uprated in October each year.

There is also a legislative framework that applies as follows:

- a claimant who is the lead carer of the youngest child aged 3-4 or in the IWS regime has a CET cap of 16 hours x NMW
- a lead carer with a child aged 5 to 12 has a maximum CET at 25 hours x NMW
- a lead carer with a child aged 13 or older has a CET at 35 hours x NMW

- a claimant who has been determined at a Work Capability Assessment (WCA) to have Limited Capability for Work (LCW) has a CET of up to 16 hours x NMW
- a claimant who is an apprentice has a CET of up to 30 hours x NMW (apprenticeship NMW applies)
- a claimant in the No Work Related Requirements (NWRR) regime isn't expected to work (New sanctions cannot be imposed on a claimant whilst they are in the NWRR regime)

Lead carers can voluntarily agree to more hours than the cap of 16 hours if they agree

### **Tailoring of the CET**

Consider tailoring the expected hours of lead carers. The expected hours of a lead carer can be reduced where one or more of the following are relevant:

- a claimant faces a difficult journey to a childcare provider, for example, poor public transport links when taking and picking up child(ren) from childcare provision
- claimant has an existing health condition and is awaiting the health assessment
- a claimant has part-time or temporary caring responsibilities, for example, caring for an elderly relative or a claimant is a 'relevant' carer for a child
- lack of childcare availability in the claimant's area that is suitable for the needs of the child
- consider the care responsibilities that parents need to provide when setting CET. For example, a parent with a child who is recovering from an injury or an illness may have their CET reduced temporarily as the parent may have many hospital appointments and the child requires more support.

### **Conditionality Review**

The claimant must accept their commitment's and are required to report changes of circumstance, including loss of their job within 5 working days. This enables conditionality to be reviewed as quickly as possible.

Waiting for the loss of earnings to show through Real Time Information could mean the claimant being out of conditionality for several weeks. They may be receiving full Universal Credit for that period, without any requirements having been imposed on them.

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