

Self-employed Start-up Period

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The start-up period

The start-up period is available to newly self-employed claimants who have been actively running their business for less than 12 months before the start of the assessment period in which they are determined to be gainfully self-employed.

The start-up period, if granted, can apply for up to 1 year. For new claims this is likely to be in the assessment period in which they claim. A start-up period cannot be suspended or extended.

The minimum income floor (MIF) will not be applied. This is to support claimants in developing their business to increase their earnings until the start-up period ends.

The claimant's Universal Credit award will be calculated based on the actual earnings they report.

Claimants are not eligible for a new start-up period if they have begun a previous start-up period in the last 5 years. If it is over 5 years ago, the self-employed work must be a new business activity.

Managed move to Universal Credit

Claimants who move to Universal Credit from other Legacy benefits and are deemed to be gainfully self-employed will have no minimum income floor applied for a 6 month period. This does not apply to claimants who move over to Universal Credit due to a change of circumstances. In these cases, the automatic 6 month rule does not apply.

If they have been self-employed for less than a year, they may qualify for a start-up period in the usual way.

Quarterly reviews and work requirements

Claimants eligible for the start-up period are allocated to the intensive work search regime until they reach the end of the start-up period or their self-employment ends.

Conditionality is met by claimants having interviews every three months from the start of the assessment period in which their gateway interview took place. They

will not be asked to look for, or take up another job in the start-up period and are not required to attend any more frequently than the quarterly interviews.

The claimant commitment covers the active steps they have agreed to undertake to increase their self-employed earnings. It includes information on their minimum income floor (MIF) level in readiness for the end of their start-up period, the mandatory requirement to attend interviews when requested and the requirement to self-report earnings monthly.

To help them in developing their business they are advised of available support to assist them such as Enterprise Clubs, New Enterprise Allowance and other support identified in the District Provision Tool.

During the quarterly interview, the claimant commitment is reviewed to check on progress against the steps agreed or where opportunities or business needs have changed and the different steps taken to increase their earnings.

New active steps will be identified and agreed. These are tailored to the claimant's individual circumstances with the intention that actions are set which will support the development of their business and increase earnings from self-employment.

Claimants can ask not to attend a quarterly interview. This can be considered if their earnings are above the level of the MIF set in the 3 previous assessment periods. In these cases, a phone call is sufficient contact to satisfy conditionality requirements.

Change of circumstances

If a claimant's circumstances change resulting in them moving to a different regime, the start-up period will continue to run.

They may return to the start-up period if they are again considered to be gainfully self-employed and it is still within the 1 year period. They can continue for the balance of the time remaining.

Claimant is no longer eligible or gainfully self-employed

If it is found that a claimant no longer meets the eligibility requirements or stops being gainfully self-employed, their start-up period will end.

They will attend a Work focused interview and agree a new claimant commitment in line with the requirements of their regime. Their self-employment activity may be taken into account when work search requirements are set if it is agreed as an appropriate job goal.

Claimants not taking active steps

If it is found that a claimant is no longer taking appropriate active steps to increase their earnings to the level of their minimum income floor (MIF), their start-up period will end.

If they continue to be gainfully self-employed, the MIF is applied and a new claimant commitment for the working enough regime must be agreed.

Ending the start-up period

At the end of the start-up period or 6 month period, the minimum income floor is applied to the calculation of the claimant's Universal Credit award.

The claimant is moved from the Intensive work search regime to the working enough regime and a new claimant commitment is set and agreed.