

Self-employed Start-up period

The Start-up Period

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The Start-up Period

A start-up period must be given to claimants who are found to be gainfully self-employed and:

- have not previously had the minimum income floor applied for the trade, profession or vocation that is their main employment (either in the current or a previous award).
- are taking active steps to grow their earning from the business

A claimant may be eligible for another start-up period, but only if it is more than 5 years since their last start-up period began. If it is more than five years ago, the start-up period must be for a different trade, profession or vocation.

The Start-up Period applies for 12 months, and is applied from the beginning of the assessment period in which the gainfully self-employed decision is made. 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.

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 the claimant having an interview every 3 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 the claimant has agreed to undertake to increase their self-employed earnings. It includes information on their 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, the claimant is 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 the claimant's 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.

The claimant 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.

Claimant is 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 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 MIF 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.