

## **Periods of sickness and self-employment**

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## **Periods of sickness and self-employment**

When a gainfully self-employed claimant reports a health condition or disability, the impact of the condition and its duration, on the claimant's ability to undertake the work in which they are gainfully self-employed must be established.

The self-employment activities which they can still do and which they cannot, and the total number of hours the claimant can be expected to carry out in their self-employment must be determined.

If the condition has a longer-term effect on the claimant's ability to undertake their self-employed work, the Minimum Income Floor or gainfully self-employed status may change.

Short-term health conditions experienced by the claimant are regarded as part of the normal pattern of self-employment. Claimants need to plan for these periods.

There is no change to a claimant's expected hours and the minimum income floor.

When a claimant reports a long-term health condition or disability that affects the hours they can work, their expected hours of work and minimum income floor is tailored to what self-employment they can do for the length of their condition.

This is reviewed as new medical evidence becomes due or available.

Gainfully self-employed claimants providing medical evidence are subject to the same Work Capability Assessment referral action as other claimants. They continue to be treated as gainfully self-employed while awaiting the Work Capability Assessment outcome unless they have a long-term serious health condition that restricts their ability to work.

If following a Work Capability Assessment outcome, a claimant is found to have limited capability for work or limited capability for work and work related activity,

the claimant is no longer treated as gainfully self-employed but is allocated to the regime appropriate to their circumstances.

Claimants found not to have limited capability for work or limited capability for work and work related activity will have their expected hours and minimum income floor reviewed in light of information received as part of the assessment. For further information on regime allocation, see Work Capability Assessment Outcomes.

For further information on the action taken on receipt of a fit note, see Work Capability Assessment for claimants in employment.

### **Short-term health conditions**

Short-term refers to health conditions such as colds, flu, strains and sprains that the claimant expects to recover from in the near future to fully resume their self-employment. This is the case even if the claimant regards themselves as incapable of doing any self-employment until they recover.

These conditions are treated as being part of their normal business cycle which the claimant should manage as part of their business planning. The minimum income floor or gainfully self-employed status is not adjusted for this period.

### **Short-term health condition reported at the Gateway Interview when making a new Universal Credit claim**

Claimants are treated as gainfully self-employed if they expect to return to their self-employment and would otherwise meet the gainfully self-employed test. The minimum income floor level must be set according to their expected weekly working hours when they recover

### **Short-term health condition declared during existing Universal Credit claim**

If the claimant is already gainfully self-employed and a minimum income floor is applicable to the claim, both remain in place and unchanged.

If the claimant's short-term condition develops into a longer-term one, the claimant must provide supporting medical evidence. The original gainfully self-employed status and/or minimum income floor level is reviewed.

### **Long-term health conditions and disabilities**

Long-term health conditions are considered as being outside the normal business cycle. This could still be temporary with the prospect of a full recovery, or permanent - affecting the claimant's ability to work for the foreseeable future.

When a claimant has limitations on the hours they can reasonably be expected to work, their expected hours of work are reduced to a level that is reasonable. This includes, if appropriate, being able to reduce the expected hours to zero and the minimum income floor to nil for the duration of the health condition.

The claimant can continue to be considered gainfully self-employed and in the Working Enough regime, whilst a minimum income floor set at nil is applied for a temporary period of time.

Claimants continue to be treated as gainfully self-employed while awaiting a Work Capability Assessment outcome.

If a longer-term serious health condition develops, any original decision regarding a claimant's gainfully self-employed status and minimum income floor must be reviewed.

### **Long-term serious health conditions**

When a claimant has a long-term or severe health condition which means they cannot run their business, and it may be unclear when / if they will take it up again, they can be considered to be no longer gainfully self-employed.

In these cases, they are allocated to the regime appropriate to their circumstances and if they are submitting a fit note, will join the health journey and are referred for a Work Capability Assessment.

### **Period of sickness during the Start-up Period**

When a gainfully self-employed claimant in the Start-up Period reports a health condition, the length of the Start-up Period will not be extended. This means that the one year period will continue to run - even if the claimant has a serious health condition which means they are found to be no longer gainfully self-employed.

If the claimant is again considered to be gainfully self-employed and it is within the original one year period, they can return to the Start-up Period for the balance of the time remaining. For further information, see Start-up period.