

Self-employed Start-up Period: Guidance

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Introduction

A Start-Up period lasts up to 12 months during which time a claimant is:

- not subject to work search or availability
- not subject to the Minimum Income Floor, and
- is expected to take active steps to increase their earning up to a sustainable level

It applies from the beginning of the assessment period in which it is determined that a claimant is in gainful self-employment. A start-up Period cannot be suspended or extended.

For more information, see Self-employed and gainfully self-employed.

When to apply a Start-up Period

A Start-up Period must always be given to claimants who are found to be gainfully-self-employed for the first time. A claimant who has previously been found gainfully self-employed may be given another Start-up Period, but only if:

- it is more than 5 years since their last start-up period began, and
- the claimant has not previously been in a start-up period or had a Minimum Income Floor applied for the same or similar trade, profession, or vocation

Claimants with earnings below their Minimum Income Floor (MIF) must take active steps to achieve their MIF.

Claimants with earnings above their MIF are still eligible for a Start-up Period because their self-employed earnings may fluctuate and they must take active steps to keep their earnings above their MIF.

The MIF will not be applied. This is to support claimants in developing their self-employment to increase their earnings until the Start-up Period ends.

Seasonal workers are subject to the same rules that apply to a normal self-employment Start-up Period.

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

Work-related 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 taking active steps to grow their self-employed earnings and attending an interview every 3 months from the start of the assessment period in which their Gateway Interview took place. The expected hours on the Claimant Commitment must reflect those used to calculate their Minimum Income Floor.

They will not be asked to look for or take up another job during the Start-up Period and are not required to attend any more often than the quarterly interviews.

Claimants in the Start-up Period must take active steps to grow and increase their self-employed earnings. These steps are identified and agreed during the Gateway Interview and recorded in the Claimant Commitment together with the following:

- information on their MIF level in readiness for the end of their Start-up Period,
- the requirement to self-report earnings monthly

Self-employed earnings can fluctuate, so where a claimant's earnings are above the MIF they should agree what steps they will take:

- if their earnings fall below the level of the MIF and how they intend to prevent them falling again
- to keep them at that level above the MIF and / or grow and increase their self-employed further

Active steps will look different for every claimant, but may include:

- marketing activities (for example, such as flyers, adverts, and social media)
- networking activities
- investigating opportunities to diversify their self-employment
- exploring grants and other funding
- attending relevant courses

To develop their self-employment, the claimant is advised of available support to help them, such as Enterprise Clubs and other support identified in the District Provision Tool.

Quarterly Reviews

The claimant must attend Quarterly Reviews (Self-employment Review appointment type) every 3 months during their Start-up Period. These can be booked:

- face-to face (for example, if the claimant is required to provide documentary evidence and work commitments allow)
- by video (if the claimant has the required equipment and internet access)

At the Quarterly Review, the Claimant Commitment is reviewed to check on progress made towards the steps agreed or where opportunities and self-employment needs have changed. This is to ensure that the claimant understands the different steps that must be 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 support the ongoing development of their self-employment and increase their self-employed earnings.

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 assessment periods prior to the review. In these cases, a phone call is sufficient contact to satisfy conditionality requirements.

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 Minimum Income Floor, their Start-up Period will end.

If they continue to be gainfully self-employed, the Minimum Income Floor is applied and a new Claimant Commitment for the Working Enough regime must be agreed.

Change of circumstances

If a claimant's circumstances change and results 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 12-month 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.

Ending the Start-up Period

At the end of the Start-up 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.

Existing Start-up Periods on new claims

When a Universal Credit award ends, the Start-up Period continues to run in the background.