
DRAFT STATUTORY INSTRUMENTS

2013 No.

The Universal Credit Regulations 2013

PART 6

CALCULATION OF CAPITAL AND INCOME

CHAPTER 2

EARNED INCOME

Gainful self-employment

Minimum income floor

62.—(1) Where, in any assessment period, a claimant is in gainful self-employment (see regulation 64) and the claimant's earned income in respect of that assessment period is less than the minimum income floor, the claimant is to be treated as having earned income equal to the minimum income floor.

(2) The "minimum income floor" is, subject to paragraph (3)—

- (a) the amount of the claimant's individual threshold (see regulation 90(2)(b)) multiplied by 52 and divided by 12; minus
- (b) an amount that the Secretary of State considers appropriate to take account of any income tax or national insurance contributions for which the person would be liable in respect of the assessment period if they had earned income of that amount.

(3) But if the claimant is a member of a couple and, by virtue of paragraph (1), the amount of the couple's earned income would exceed the maximum for a couple—

- (a) in a case where the couple's combined earned income (before the application of paragraph (1)) is equal to or exceeds the maximum for a couple, paragraph (1) does not apply; and
- (b) in any other case, the minimum income floor is to be reduced so that the amount of the couple's earned income does not exceed the maximum for a couple.

(4) In paragraph (3) the "maximum for a couple" is—

- (a) the amount applicable in regulation 90(3) (earnings threshold for a couple) multiplied by 52 and divided by 12; minus
- (b) an amount that the Secretary of State considers appropriate to take account of any income tax or national insurance contributions for which the couple would be liable in respect of the assessment period if they had earned income of that amount.

(5) Paragraph (1) does not apply where—

- (a) the assessment period falls within a start-up period or is the assessment period in which a start-up period begins or ends; or
- (b) the claimant falls within any of the following sections of the Act—

- (i) section 19 (claimants subject to no work-related requirements), except by virtue of regulation 90,
- (ii) section 20 (claimants subject to a work-focused interview requirement only), or
- (iii) section 21 (claimants subject to a work preparation requirement only).