
STATUTORY INSTRUMENTS

2020 No. 522

SOCIAL SECURITY

The Universal Credit (Coronavirus) (Self-employed Claimants and Reclaims) (Amendment) Regulations 2020

<i>Made</i>	- - - -	<i>19th May 2020</i>
<i>Laid before Parliament</i>		<i>20th May 2020</i>
<i>Coming into force</i>	- -	<i>21st May 2020</i>

The Secretary of State makes the following Regulations in exercise of powers conferred by sections 1(1) and 189(1), (4) and (6) of the Social Security Administration Act 1992⁽¹⁾ and section 42(1) to (3) of, and paragraph 4(1) and (6) of Schedule 1 to, the Welfare Reform Act 2012⁽²⁾.

In accordance with section 173(1)(a) of the Social Security Administration Act 1992, it appears to the Secretary of State that by reason of the urgency of this matter it is inexpedient to refer the proposals in respect of these Regulations to the Social Security Advisory Committee.

Citation and commencement

1. These Regulations may be cited as the Universal Credit (Coronavirus) (Self-employed Claimants and Reclaims) (Amendment) Regulations 2020 and come into force on 21st May 2020.

Treatment of payments to self-employed universal credit claimants

2.—(1) For the purposes of regulation 57 (self-employed earnings) of the Universal Credit Regulations 2013⁽³⁾—

- (a) a payment under the Self-employment Income Support Scheme is to be treated as a receipt at step 1 of the calculation of self-employed earnings in the assessment period in which the claimant receives that payment; and
- (b) no deduction may be made at step 1 of that calculation in respect of expenses comprising the salary or wages paid to an employee in so far as those expenses are covered by a payment under the Coronavirus Job Retention Scheme.

(1) 1992 c.5. Section 189(1) was amended by Schedule 7, paragraph 109, and Schedule 8, to the Social Security Act 1998 (c.14), Schedule 3, paragraph 57, to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2), and Schedule 6, paragraph 1, to the Tax Credits Act 2002 (c.21). Section 189(4) was amended by Schedule 7, paragraph 109, and Schedule 8, to the Social Security Act 1998. Section 189(4) and (6) was amended by S.I. 2013/252.

(2) 2012 c.5.

(3) S.I. 2013/376. Regulation 57 was amended by S.I. 2014/2888 and 2015/345.

(2) For the purposes of section 5 (financial conditions) and section 8 (calculation of awards) of the Welfare Reform Act 2012, any payment made to a claimant carrying on a trade, profession or vocation—

- (a) in relation to a furloughed employee under the Coronavirus Job Retention Scheme; or
- (b) by way of a grant or loan to meet the expenses or losses of the trade, profession or vocation in relation to the outbreak of coronavirus disease,

is to be disregarded in the calculation of the claimant’s capital for a period of 12 months from the date on which it is received.

(3) In this regulation—

“the Coronavirus Job Retention Scheme” means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 15th April 2020 under section 76 of the Coronavirus Act 2020⁽⁴⁾;

“the Self-employment Income Support Scheme” means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 30th April 2020 under that section of that Act;

“coronavirus disease” has the meaning given in section 1 of the Coronavirus Act 2020.

Amendment of the UC etc. Claims and Payments Regulations

3. After regulation 32 (advance claim for and award of universal credit) of the Universal Credit, Personal Independence Payment, Jobseeker’s Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013⁽⁵⁾ insert—

“Reclaims of universal credit after nil award due to earnings

32A.—(1) This regulation applies where—

- (a) a claim is made for universal credit, but no award is made because the condition in section 5(1)(b) or 5(2)(b) of the 2012 Act (condition that the claimant’s income, or joint claimants’ combined income is such that the amount payable would not be less than the prescribed minimum) is not met; or
- (b) entitlement to an award of universal credit ceases because that condition is not met.

(2) The Secretary of State may, subject to any conditions the Secretary of State considers appropriate, treat the claimant (or joint claimants) as making a claim on the first day of each subsequent month, up to a maximum of 5, that would have been an assessment period if an award had been made or, as the case may be, if the award had continued.”.

Signed by authority of the Secretary of State for Work and Pensions

19th May 2020

Mims Davies
Parliamentary Under Secretary of State
Department for Work and Pensions

(4) 2020 c.7.
(5) S.I. 2013/380.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make further provision for universal credit in relation to the outbreak of coronavirus disease.

Regulation 2 provides for the treatment of certain payments made to self-employed claimants. A payment under the Self-employment Income Support Scheme announced by the Chancellor of the Exchequer on 26th March 2020 is to be treated as a receipt for the purposes of calculating the claimant's self-employed earnings in the assessment period in which it is received. No deduction may be made in the calculation of those earnings in respect of the salary or wages paid to a claimant's employee which are covered by a payment under the Coronavirus Job Retention Scheme (CJRS) announced by the Chancellor on 20th March 2020. A payment under CJRS, or any loan or grant to meet the losses or expenses of the claimant's business in relation to the outbreak of coronavirus disease is to be disregarded in the calculation of the claimant's capital.

Hard copies of the Self-employment Income Support Scheme and the CJRS can be obtained from CJRS Policy, 3C/15 100 Parliament Street, Westminster, London SW1A 2BQ.

Regulation 3 inserts a new regulation 32A in the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 ([S.I. 2013/380](#)). The new regulation makes provision for awarding or re-awarding universal credit where no award is made on a person's initial claim, or where a person ceases to be entitled to an award. It allows the Secretary of State to treat the person as re-claiming universal credit for up to 5 assessment periods after an assessment period in which they were found not to be entitled on account of their income.

A full impact assessment has not been produced for this instrument as no impact, or no significant impact on the private, public or voluntary sectors is foreseen.