

SCHEDULE 2

Calculation of earnings

Calculation of earnings of self-employed earners

10.—(1) Except where paragraph (2) applies, where an individual's earnings consist of earnings from employment as a self-employed earner the weekly amount of their earnings are determined by reference to their average weekly earnings from that employment—

- (a) over a period of one year, or
- (b) where the individual has been engaged in that employment for less than a year or there has been a change which is likely to affect their normal pattern of earnings, over such other period as may, in any particular case, enable the weekly amount of their earnings to be determined more accurately.

(2) Where the individual's earnings—

- (a) consist of royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark, and
- (b) the individual is the first owner of the copyright, design, patent or trade mark,

those earnings are taken into account over a period equal to such number of weeks as is equal to the number (less any fraction of a whole number) calculated in accordance with the formula—

$$\frac{S}{T} + U$$

where—

S is the earnings,

T is the relevant earnings limit plus one penny, and

U is the total of the sums which would fall to be disregarded or deducted as appropriate under paragraph 12(2) (calculation of net profit of self-employed earners).

(3) The period mentioned in sub-paragraph (2) begins on the date on which the payment is treated as paid under paragraph 6 (date on which earnings are treated as paid).