
STATUTORY INSTRUMENTS

2021 No. 807

SOCIAL SECURITY

The Universal Credit (Coronavirus) (Restoration of the Minimum Income Floor) Regulations 2021

<i>Made</i>	- - - -	<i>7th July 2021</i>
<i>Laid before Parliament</i>		<i>8th July 2021</i>
<i>Coming into force</i>	- -	<i>31st July 2021</i>

The Secretary of State makes the following regulations in exercise of powers conferred by sections 22(2) and 42(1) to (3) of, and paragraph 4(1), (3)(a) and (4) of Schedule 1 to, the Welfare Reform Act 2012⁽¹⁾.

The Social Security Advisory Committee has agreed that the proposals in respect of these Regulations should not be referred to it⁽²⁾.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Universal Credit (Coronavirus) (Restoration of the Minimum Income Floor) Regulations 2021 and come into force on 31st July 2021.

(2) In these Regulations—

- (a) “the Universal Credit Regulations” means the Universal Credit Regulations 2013⁽³⁾;
- (b) “the Coronavirus Further Measures Regulations” means the Social Security (Coronavirus) (Further Measures) Regulations 2020⁽⁴⁾,

and other words and expressions in these Regulations have the same meaning as in regulation 2 of the Coronavirus Further Measures Regulations.

Restoration of the minimum income floor

2.—(1) Regulation 2 (universal credit — minimum income floor) of the Coronavirus Further Measures Regulations is, apart from sub-paragraphs (1)(c) and (d), to continue to have effect up to and including 31st July 2022⁽⁵⁾, subject to the following provisions.

(1) [2012 c. 5](#).

(2) *See* section 173(b) of the Social Security Administration Act 1992.

(3) [S.I. 2013/376](#).

(4) [S.I. 2020/371](#).

(5) By virtue of regulation 10 of those Regulations, as amended by [S.I. 2020/1201](#) and [S.I. 2021/313](#), regulation 2 otherwise ceases to have effect on the 31st July 2021.

(2) Where the MIF easement is being applied to a claimant on the coming into force of these Regulations, the Secretary of State must, subject to paragraph (3), cease to apply that easement from the assessment period⁽⁶⁾ immediately after the assessment period in which the following conditions are met—

- (a) the Secretary of State has determined that the claimant continues to be in gainful self-employment; and
- (b) if the claimant was in a start-up period on 13th March 2020⁽⁷⁾, the same number of complete months of that period that remained on that date have elapsed since the determination in sub-paragraph (a).

(3) The Secretary of State may continue to apply the MIF easement after the assessment period in which the conditions mentioned in paragraph (2) are met, but only if it appears that the trade, profession or vocation carried on by the claimant remains adversely affected by the outbreak of coronavirus disease, and not for more than two consecutive assessment periods on a single occasion and not for more than six assessment periods in total.

(4) The Secretary of State may, if satisfied that economic conditions have sufficiently improved, determine that the MIF easement is no longer to apply to any claimant.

(5) The application of the MIF easement for a specific period in relation to a particular claimant by virtue of paragraph (2)(b) or (3) is not to be affected by the expiry of this regulation or by a determination of the Secretary of State under paragraph (4).

(6) References in this regulation to the MIF easement are to the individual threshold or the couple threshold in regulation 62 (minimum income floor) of the Universal Credit Regulations 2013 being treated by the Secretary of State as if it were a lesser amount (including zero) in accordance with regulation 2(1)(a) of the Coronavirus Further Measures Regulations.

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

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

7th July 2021

⁽⁶⁾ See section 7(2) of the Welfare Reform Act 2012 for the meaning of “assessment period”.

⁽⁷⁾ 13th March 2020 was the date on which regulation 4 (suspension of the minimum income floor) of the Employment and Support Allowance and Universal Credit (Coronavirus Disease) Regulations 2020 (S.I. 2020/289) came into force. That regulation was replaced by regulation 2 of the Coronavirus Further Measures Regulations 2020 from 30th March 2020.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for the further extension of three of the measures in regulation 2 of the Social Security (Coronavirus) (Further Measures) Regulations 2020 (S.I. 2020/371). The measures relate to the minimum income floor (MIF) in regulation 62 of the Universal Credit Regulations 2013 (S.I. 2013/376), which assumes that claimants who are “in gainful self-employment” have a minimum level of earnings for the purpose of calculating universal credit.

The three measures, which would otherwise expire on 31st July 2021, are extended until 31st July 2022.

These measures allow the Secretary of State (a) to treat the MIF as a lesser amount, including zero (“the MIF easement”), (b) to delay a determination that the claimant is in gainful self-employment and (c) to except claimants from work search or work availability requirements which would otherwise apply in the absence of the MIF.

During the period of the extension, the application of the MIF easement is subject to the following further provisions.

Where the MIF easement is already being applied when these Regulations come into force (that is in all cases where a claimant had been determined to be in gainful self-employment before a general suspension of the MIF was applied from 13th March 2020 by regulation 2 of S.I. 2020/289) the Secretary of State must restore the MIF in the next assessment period after determining that the claimant continues to be in gainful self-employment or, if the claimant was in a 12 month start-up period on 13th March 2020, once the balance of the period remaining on that date has expired.

But the Secretary of State may still apply the MIF easement in certain limited circumstances. The claimant’s business must remain affected by the outbreak of coronavirus disease and the MIF easement must not be applied for more than two assessment periods on each occasion and not for more than six assessment periods in total.

The Secretary of State may decide that no further reductions of the MIF are to be given if satisfied that economic conditions have sufficiently improved. Any period for which a reduction has already given will be allowed to expire.

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