
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.