

THE UNIVERSAL CREDIT (CORONAVIRUS) (SELF-EMPLOYED CLAIMANTS AND RECLAIMS) (AMENDMENT) REGULATIONS 2020

Contents	Paragraphs
Introduction	1
Background	2
Effect on self-employed earnings for UC purposes	3
Effect on capital for UC purposes	4
Reclaims of UC after a nil award due to earnings	5
Annotations	
Contacts	

INTRODUCTION

1. This Memo gives guidance on the Universal Credit (Coronavirus) (Self-employed Claimants and Reclaims) (Amendment) Regulations 2020 (“UC (CV) (SEC & R) Amdt Regs 20”) (SI 2020/522). These regulations came into force on 21.5.20¹.

1 UC (CV) (SEC & R) Amdt Regs 20, reg 1

BACKGROUND

2. These regulations make further provisions for UC in relation to the outbreak of coronavirus disease.

EFFECT ON SELF-EMPLOYED EARNINGS FOR UC PURPOSES

3. For the purpose of self-employed earnings for UC
 1. a payment under the Self-employment Income Support Scheme (SEISS) is to be treated as a receipt at step 1 of the calculation of self-employed



earnings in the assessment period (AP) in which the claimant receives that payment¹ **and**

2. 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 (CJRS)².

1 UC (CV) (SEC & R) Amdt Regs 20, reg 2(1)(a); UC Regs, reg 57;

2 UC (CV) (SEC & R) Amdt Regs 20, reg 2(1)(b); UC Regs, reg 57

EFFECT ON CAPITAL FOR UC PURPOSES

4. Any payment made to a claimant carrying on a trade, profession or vocation in relation to
 1. a furloughed employee under the CJRS **or**
 2. 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 received¹.

1 UC (CV) (SEC & R) Amdt Regs 20, reg 2(2)

Note. In this regulation the CJRS means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 15.04.20 under section 76 of the Coronavirus Act 2020;

SEISS means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 30.04.20 under that section of that Act;

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

RECLAIMS OF UC AFTER A NIL AWARD DUE TO EARNINGS

5. Where
 1. a claim is made for UC, but no award is made because the claimant's income, or joint claimants' combined income is such that the amount payable would not be less than the prescribed minimum **or**



2. entitlement to an award of UC ceases because that condition is not met¹

the Secretary of State may, subject to any conditions she considers appropriate, for example, there is sufficient information on which to make the award, 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 continued².

1 WR Act 12, regs 5(1)(b) & 5(2)(b) & UC, PIP, JSA & ESA (C&P) Regs, reg 32A(1); 2 Reg 32A(2)

Example 1 – Income reduces in the second AP following a claim

A claim for UC is made on 19.3.20 meaning that the first AP is fixed for the period 19.3.20 to 18.4.20. The DM decides that no award can be made for the first AP as the claimant's income is too high. The income reduces, during what would have been the second AP, meaning that entitlement to UC arises. The DM determines that there has been no other change in the claimant's circumstances and treats the claimant as making a claim on 19.4.20.

Example 2 – Income reduces in the seventh AP following a claim

A claim for UC is made on 19.3.20 meaning that the first AP is fixed for the period 19.3.20 to 18.4.20. The DM decides that no award can be made for the first AP as the claimant's income is too high. The income reduces during what would have been the seventh AP. In these circumstances, a new claim for UC is required as earnings reduced outside of the period (5 subsequent APs) in which the DM can treat the claimant as making a new claim.

Example 3 – An existing award terminates because of income

An award of UC is made from 19.3.20. During the third AP (19.5.20 to 18.6.20) UC terminates from 19.5.20 as the claimant's income is too high. The claimant's income reduces in the period 19.8.20 to 18.9.20 meaning that entitlement to UC arises. As the change in income has occurred within the 5 subsequent months that would have been APs if the award had continued, the DM determines that there has been no other change in the claimant's circumstances and treats the claimant as making a claim on 19.8.20. If the change occurred after the 5 subsequent months that would have been APs, a new claim is required.

Example 4 – Surplus earnings

An award of UC is made from 19.3.20. During the fourth AP (19.6.20 to 18.7.20) the claimant reports that he received earnings of £5,200 consisting of a SEISS



payment. He received no other income. The allowable expenses are £1,200. The DM decides that there is no entitlement to UC from 19.6.20 on account of earnings. The DM treats the claimant as making a claim on 19.7.20 and 19.8.20 and decides that the surplus earnings have not reduced sufficiently to award UC until the first day of the third subsequent month. The claimant is treated as making a new claim and awarded UC from 19.9.20.

ANNOTATIONS

Please annotate the number of this memo (ADM 10/20) against ADM paragraphs

A2048, H2021 and H4010

CONTACTS

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 3E zone E, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in – Memo [7/19](#) Requesting case guidance from DMA Leeds for all benefits.

DMA Leeds: June 2020