



Department
for Work &
Pensions



Government
Social Research

Self-Employed Tax Credit Claimants Research

**Findings from Phase 1 exploratory qualitative research
with self-employed Tax Credit claimants**

Research presentation

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The date above is the publication date and therefore does not reflect the date when the research was complete.

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1. Research aims and methodology

Background and research objectives

Background: Recent research indicates there is a difference in the understanding, perceptions, motivations and willingness to engage between those who are claiming Universal Credit and those who have experience of legacy benefits.

Ahead of the planned migration of all existing legacy benefit claimants to Universal Credit in 2022, research is required to guide and inform DWP's messaging and communications strategy to ensure that legacy claimants are effectively engaged and well informed about the transition.

The key focus for this research is **self-employed Tax Credit (TC) claimants**, the specific needs and experiences of whom are expected to differ to other Universal Credit Claimants and for whom the Universal Credit policy and support offer is significantly different.

Research objectives: To help the department shape communications around a move to Universal Credit and ensure claimants who are self-employed and transitioning from Tax Credits to Universal Credit are prepared, motivated and well informed. **Specifically, to understand:**

The motivations and drivers to self-employment and the role that current legacy benefits play in this

How self-employed legacy Tax Credit claimants think and feel about UC support in contrast to their existing financial support

Awareness, understanding and perceptions of Universal Credit and attitudes towards the transition

Determining key messaging areas/communication needs to motivate or change perceptions and support the consideration of a voluntary move to UC

Method and sample

This research will consist of two parts:

[October-December 2021]

1. **Exploratory qualitative** interviews with self-employed Tax Credit claimants

75 depth interviews with quotas set on:

- Age
- Gender
- Location
- Length of claim
- Type of claim (WTC/CTC/WTC and CTC)*

* Working Tax Credit (WTC)
Child Tax Credit (CTC)

Findings will guide and inform a subsequent message testing phase in early 2022

[January-March 2022]

2. Qualitative **message testing** with current self-employed Tax Credit claimants via focus groups

2. Context: The Self-Employed

The flexibility of self-employment is a strong motivator

The **flexibility of self-employment** is a significant motivator for many, particularly those with other responsibilities. For these individuals, the autonomous and flexible nature of self-employment is perceived to be a much better 'fit', e.g. those balancing work alongside:

- caring responsibilities
- childcare commitments
- long term health conditions

For others, working in transient industries (e.g. music, TV production, counselling or seasonal farm work) **self-employment is considered to be the 'norm'**, with very few opportunities available to work as a permanently contracted employee.

"I could only manage part time as I was also looking after my son who had mental health problems"

Working Tax Credit claimant

"I like being self-employed, it can work around my kids and their holidays and I can manage my own time"

Working & Child Tax Credit claimant

"It's the nature of the work. Clients book you on small contracts to do animation projects. That's why I am self-employed"

Working & Child Tax Credit claimant

Many demonstrate high levels of passion and commitment to their self-employment and value Tax Credits as an enabler to this

Self-employment is regularly accompanied amongst claimants with high levels of **passion, dedication and commitment for both *what they are doing* and *how they are doing it***. For many it is hard to imagine getting the same sense of fulfilment from doing something different and/or working as an employee.

While Tax Credits had not necessarily been the key driver or motivator to self-employment, it was clear to see that it was **highly valued as an enabler** to the on-going pursuit of this and, for many, a much needed 'lifeline'.

"I hope to continue doing what I am doing... I love it!"

Child Tax Credit claimant

"I see it as a buffer. Gardening is really seasonal. So January, February, March, there is no work and money. We need Tax Credits to live on."

Child Tax Credit claimant

"I prefer being self-employed, as I can work at home, chose my hours and not answer to anyone. I can also look after my son, who has learning disabilities. who I used to home school.

The tax credits money allows me to be self-employed and work lesser hours so that I can care for my son, who needs a lot of support."

Working & Child Tax Credit claimant

Some do have concerns and worries about the future

For some, reductions in, or loss of, income resulting from the pandemic has heightened concerns around the **unpredictability and fluctuating nature of self-employment income**.

Similarly, some of those with long term health conditions have concerns about the progression and potentially debilitating nature of their condition. In particular, some have concerns about the impact this could have on their ability to work and the **lack of income protection (e.g. sick pay)** available to them.

“Well there is no guarantees of money with the business. There are ups and lows, so it really is a bridge for us during the difficult months....it's not like when you are employed, where your income stays the same.”

Working Tax Credit claimant

“It really does worry me, as I don't know how long I can clean for as my physical heath is deteriorating.”

Working Tax Credit claimant

For those with other work alongside self-employment, it is typically seen as secondary and supplementary to self-employed income

Where claimants are running their own business, some also have part-time employed work alongside, to provide a **regular income** and added **layer of security**.

For many this is seen as a **temporary measure**, when at the early stages of employment, and one which they hope to phase out once able to support themselves with the income from self-employment alone. For others this had resulted as an **impact of the pandemic** and the need for more stability going forward.

Self-employment can also be **seasonal**, particularly for certain industries (e.g. gardening) and other **employment is therefore needed to supplement income** when self-employment work is slow.

Case study: Kiera

After qualifying as a counsellor five years ago Kiera has slowly been building her client base.

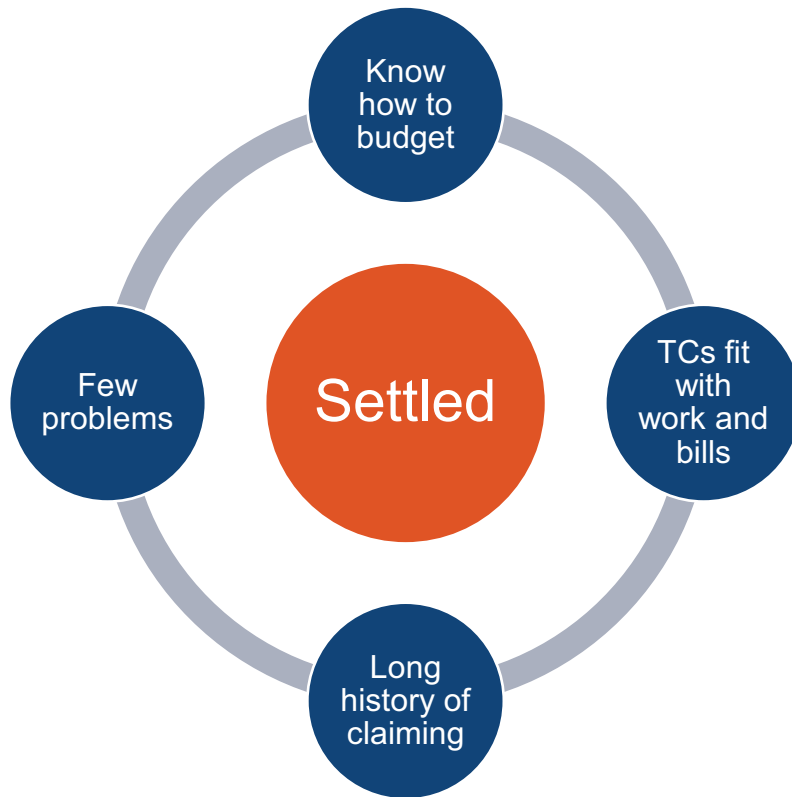
She's limited however to the hours of the day when her young son is at school, as she is a single parent.

Her income from counselling is unpredictable, so she still has a part-time job helping with bookkeeping at a construction company two days a week.

The steady income she receives from her work as an employee means she does not have to worry if she does not have many clients.

3. Tax Credits: Current claiming behaviours, knowledge and engagement

Existing routines and claiming behaviours are well established and well engrained



Self-employed claimants feel that **Tax Credits fit well with their established financial and work routines**. Often the award fits in to a carefully balanced budget and is hard to imagine surviving without.

Very few reported experiencing any problems with HMRC or with receiving their award. The only negatives came from those who had been over-paid and required to pay money back to HMRC.

All felt confident about what they needed to do at the end of each year for Tax Credits. Many claimants had been repeating these behaviours every year for sometimes over a decade and their situation has not changed for a long time.

Detailed knowledge of Tax Credits is limited, though this is not perceived to be a significant problem

Claimants generally feel content in what they know about Tax Credits and how it relates to their own situation. But **most struggled to explain exactly how their award was calculated.**

- Low awareness of the 'mechanics' behind Tax Credits
- Can contribute to / create a fear of over-payment

But all claimants felt they could say *roughly* how much they would receive in their next payment and **felt that they knew enough about Tax Credits** in order to get by.

Most feel confident and satisfied in being able to resolve any issues should they arise (either by contacting HMRC directly by phone or checking GOV.UK).

"I feel that I know very little. I don't know how they make the calculation... I have reported changes before and they still overpaid me, so I don't know what happened there. It was quite frustrating."

Child Tax Credit claimant

"I feel that I understand it enough to be on top of it all... I don't think there is anything I don't get about it."

Working Tax Credit claimant

"Me and my husband both have degrees and we look at that letter and don't know how they have worked it out...we just accept it and say, 'It must be about right'".

Child Tax Credit claimant

Engagement with Tax Credits is low; it feels to most like a benefit that works away in the background

Most have **not had any major issues with Tax Credits, so have not felt like they have *needed* to engage** (which is seen as a positive).

Amongst those running businesses, they feel that Tax Credits is set up to work quietly in the background and let them get on with focusing on their work – the **low maintenance nature of Tax Credits is highly valued**.

Claimants tend to **only engage with Tax Credits once a year** when they have to renew.

- Few are reporting changes on a regular basis

As **most feel they know what they need to in order to understand how it works for them personally**, very few mentioned seeking out new information about Tax Credits recently.

“When things are going well for me, I don't consider them at all. I only ever contact them when there's a problem. I can concentrate on what I need to do and that's building my business so I can start making some money so I don't need to claim the benefits.”

Working & Child Tax Credit claimant

“I don't think I am that engaged with it as nothing has gone wrong. I have very little do with HMRC.”

Child Tax Credit claimant



Awareness, understanding and engagement with current benefits



Profile

Helen is in her early 50s and lives with her elderly mother in a rural village. She has run her own online business selling records online and at record fairs since 2006. She has claimed Working Tax credits for the majority of this time.

In the future she hopes to build an extension at home so she can store more records to sell.

It was her accountant who first suggested that she claim Tax Credits. Before that she had not considered whether or not she would be eligible, and did not know much about them.

Although she says she does not feel overly reliant on them, she believes that without Tax Credits she would really struggle to pay for the basics like food and heating.

She knows very little about how it works besides that it tops her wages up a bit. She knows roughly how much she receives but could not say how it is calculated.

When she made her first claim, her accountant told her what information she needed to share with HMRC. Since her first claim in 2006, she does not think she has learned anything new about Tax Credits. She is very comfortable in her existing routine even though she does not feel very ‘engaged’ with Tax Credits.

“I’ve never had any issues getting my money. It’s a useful top up for my wages, but I don’t really think about it much if I’m being honest.”

Key Takeaway

Low engagement and understanding of how Tax Credits works, but highly valued as a means of ‘topping up’ self-employment income.

4. Universal Credit: Current levels of awareness and understanding

Mixed levels of awareness of Universal Credit

**Little/no
knowledge of UC**

Little/no awareness of Universal Credit, minimal engagement with existing legacy benefits let alone others.

“I’ve only heard about UC from the press. I don’t know anything about it. I presume UC is just another name for WTC and that award will remain the same.”

Working Tax Credit Claimant

**Some knowledge
of UC**

Aware of Universal Credit (generally through media coverage and, in some instances, experiences of friends/family/colleagues) but little known of the *specifics* of what it offers and how it works.

“I’ve only heard negative stories. You get less money on Universal Credit...no one seems happy on it. You get it paid monthly, rather than weekly.”

Working & Child Tax Credit Claimant

Negative perceptions prevail, largely driven by negativity in the press and media

Participants cited hearing 'horror stories' from media coverage and people they know about claimants experiencing 6-7 week gaps in payments. This is seen as a **significant deterrent**. There were concerns around standards of living being negatively impacted, as well as mental health. Participants also felt such **gaps would hit them harder as self-employed** due to their fluctuating income and reported not knowing how they'd pay their bills in such instances and being fearful that these could easily and quickly spiral out of control.

Media coverage around the end of the £20 uplift and knowledge of families who are worse off under Universal Credit led some to believe that Universal Credit means **less money** and would, therefore make their lives more difficult in terms of budgeting and making ends meet.

Stories in the press portraying Universal Credit as **admin heavy** due to the monthly reporting meant that it was also perceived as **stressful and time consuming**, particularly compared to Tax Credits.

"I have heard stuff in the papers about people not getting their money on time and that people are in a much worse state on UC."

Working & Child Tax Credit Claimant

"It gives me a knot in my stomach every time I hear the word...you hear a lot of stories about people waiting a long time for payment."

Working & Child Tax Credit Claimant

"The problem with that is universal can take up to seven weeks of delays, possibly lost income, which could affect my basic standard of living."

Working Tax Credit Claimant

Little understanding of how Universal Credit works, especially for the self-employed

There was a **significant lack in knowledge surrounding Universal Credit**.

Some didn't know enough to answer when questioned about Universal Credit and some stated that they were "Waiting for them [DWP] to tell me" what it means and offers.

Participants who had read about Universal Credit on the Gov.UK were generally aware that Universal Credit is paid out monthly but **opinions regarding this were divided**.

There was some concern that this would mean a greater struggle with financial management and budgeting.

Some felt that **Universal Credit discouraged people from working**, as employment would affect their claim.

This view came from participants who stated knowing people who refuse to work over 15 hours per week due to this reason.

"I'm not that clued up on it. I just heard in a letter they sent me that there would be a move over to Universal Credit in the future."

Working & Child Tax Credit Claimant

"I know what I'm doing now but if it all changed it would bring my anxiety up again and I'd probably just stop working"

Working & Child Tax Credit Claimant

"Some of my clients, who own cafes and things say, they struggle to get staff to work more than 15 hours, because they are restricted by UC...so it's holding people back from working more"

Working & Child Tax Credit Claimant

Universal Credit generally viewed as ‘something different’ to Tax Credits and inherently perceived by legacy claimants as ‘not for me’

Participants highlighted a significant ‘us vs them’ narrative when describing the differences between Tax Credits and Universal Credit.

There was reference to Universal Credit Claimants being ‘on the dole and buying drink and fags’ as well as ‘gambling’ and favouring this over employment. Participants also referred to their own friends that claim Universal Credit as not wanting to work and driving the reason they saw Universal Credit as an ‘unemployment benefit’.

Instead, **Working Tax Credit was seen as a supplement to income/‘reward’** for those who *are* working and just requiring a little bit of financial support.

There was a **distinct lack of awareness as to how this ‘unemployment benefit’ could benefit the self-employed.** Participants felt they had very different needs to current Universal Credit Claimants and didn’t feel they required the same level of help that Universal Credit Claimants need.

“Universal Credit is quite broad and doesn't think about actual human life and the effect it has on people...Tax Credit allows you dignity, Universal Credit does not.”

Working & Child Tax Credit Claimant

“I suppose I've been used to the security of tax credits for the last 10 years. The idea of changing to something else, where there might be a lot of hassle involved, doesn't appeal.”

Working & Child Tax Credit Claimant

“I just think of it (UC) as being for unemployed people. You know those who can't be bothered to work....I think it's because all the benefits have been lumped into one...so you have those who are working and aren't working in one. There's a real stigma in my opinion.”

Working & Child Tax Credit Claimant

“They have just lumped us all together. Us that work hard with people who don't work at all.”

Working & Child Tax Credit Claimant

5. Universal Credit: Awareness and perceptions of a transition

Few participants had heard of people in a similar situation to themselves moving over to Universal Credit

Overall, there were **limited instances of participants knowing other self-employed people who had moved to Universal Credit**. For most participants the research interview was first time they were hearing about the planned migration.

Some had heard about the move (either via JCP or through a friend or family member), but were **unsure of the details or how it would work and what Universal Credit would offer**.

Very few participants had considered making a claim for Universal Credit. Those who had considered did so because they knew of the planned migration, but did not go through with it as they found the process too complicated and they felt they would receive less on Universal Credit.

Participants reported that they **would not know currently how to move over to Universal Credit** if they wanted to, and generally wouldn't consider this without knowing the specifics of **how it works and, importantly, how much they'd receive**.

"It's basically the same thing, but more of a headache. I think it would take longer and that you won't get paid on time."

Working & Child Tax Credit claimant

"I did consider it last year, when I read that everyone will be changed over to UC eventually. I Googled it and then thought, 'I am happy with TC, why change?'."

Working & Child Tax Credit claimant

Varying levels of knowledge about Universal Credit, but initial reactions about moving were negative and apprehensive

**Little/no
knowledge of UC**

Responses to moving to Universal Credit were neutral, they did not have positive or negative associations.

Participants struggled to make any comment about how they were feeling, as they didn't know enough about Universal Credit to form an opinion either way.

"Will it impact me negatively, as I know that some people look down on UC? I am apprehensive."

Working Tax Credit claimant

"I honestly don't want it to happen. It's the unknown of if it will work or if I'll be financially secure. I know what I'm doing now, but if it changed it would bring my anxiety up again and I'd probably just stop working."

Working & Child Tax Credit claimant

"I think you lose out on money on UC...I don't, won't do it, without them asking me to...so I will wait until I am asked too...do you know why we get less money on Universal credit?"

Working & Child Tax Credit claimant

**Some knowledge
of UC**

Responses to moving to Universal Credit were negative, with some participants evidently quite nervous.

Although most didn't know much detail about Universal Credit, they knew enough to know they didn't want to move over. These opinions were generally informed by stories in the press.

The majority struggled to spontaneously identify any benefits to moving to Universal Credit

- Overall, few benefits were associated with moving to Universal Credit. The benefits that were identified included...



Administrative

Some participants commented that a benefit is that they'd miss the "admin rush" when everyone moves in 2024, and may have less problems (payment delays, incorrect calculations etc.) as a result.



Easier to manage

Some felt that it *might* be easier and more simple for them to manage all their benefits in one place, with one point of contact - potentially more straightforward and less stressful for them.



Financial

Some participants were happy to move to Universal Credit *if* it resulted in them being a better position financially (though they doubted that it would).

"I don't think I'll be entitled to it, as I only receive a small amount. But if I do qualify I would prefer to move before the big rush, the deadline when everyone is switching."

Child Tax Credit claimant

"We're going through with the housing benefits and the way they do it is completely different from how Tax Credits is calculated. It's really stressful. So the idea of having everything dealt with as a whole in the same manner. That appeals to me massively."

Working & Child Tax Credit claimant

Participants had mixed reactions when prompted with information about Universal Credit, with some 'benefits' also having drawbacks

Positive reactions

- Some found the **work coach offer useful**, being grateful for any extra help for them to grow their business and earn more money
- The **childcare offer** was seen as useful (although there were lots of questions around what it covers specifically, as well as the ages of children)

"The work coach sounds amazing. Any information on how I can make more money is helpful."

Working tax & Child Tax Credit claimant

- The work coach offer was seen as **patronising** by some, with comments that they wouldn't understand their business
- There was lots of **negativity towards automatic adjustment**, with participants feeling it reflected a lack of understanding from DWP to the self-employment lifestyle
- There was confusion around **conditionality** which created concern

"Automatic adjustment makes me nervous as it's not like I earn enough in my busy months to get nothing in my quiet months."

Working Tax Credit claimant

Negative reactions

**stimulus slide at the end of this presentation*



Awareness, understanding and engagement with current benefits



Profile

Jane is a single-mum with 2 children. She used to work as a hairdresser in a salon, but recently became mobile as she felt lots of her earnings were going to the salon owner.

She also rented her own salon for a few months, before becoming mobile. She enjoys the freedom of being self-employed and being able to plan this around childcare.

Tax Credits are essential for Jane as they top up her rent and her bills. She has been claiming for nearly 18 years and *“cannot do without them”*. She finds the process of claiming easy, commenting that HMRC are always helpful and friendly on the phone.

Universal Credit

Jane has a negative perception of Universal Credit, as she has a friend who was not paid on time and struggled with their bills as a result.

Jane knows little about how Universal Credit actually works, with her opinions being formed by things she has heard in the media and the experience of her friend. She is concerned about what she’d do if she didn’t understand the system and where she’d go to for help, and was especially worried there’d be no one to speak to on the phone.

Jane doesn’t want to move over to Universal Credit as she is happy with Tax Credits as they are and is comfortable with her current system.

“They [Universal Credit] are so unorganised. I think it is an unfair system.”

Key Takeaway

Low engagement with Tax Credits, but they are deemed as essential. A switch to the unknown of Universal Credit is concerning.

6. Motivations and messaging

Currently the vast majority of self-employed Tax Credit claimants feel neither motivated nor positive towards a move

There is very little positivity around a move to UC (only a degree of positivity, or at least neutrality, evident among a couple of more recent claimants and those with very low awareness of UC).

At best, some Tax Credit claimants reported feeling **neutral** towards the move and felt **indifferent** towards its inevitability.

But for most, the prospect of a move was met with **questions, worries** and **concerns**.

There is an overriding sense of contentment with current legacy benefits fuelling an 'If it's not broke, don't fix it' mentality and a strong desire to **maintain the current status quo**, to not 'rock the boat'. Presently, there is little to prompt or motivate a change and nothing pushing TC claimants to move to UC, nor anything explicitly pulling them to UC either.

"I won't move voluntarily, because of all the negative stuff I mentioned. The less money is the main thing."

Working & Child Tax Credit claimant

"Why change when I'm perfectly happy with tax credits?! All I've heard is bad stuff about UC."

Working & Child Tax Credit claimant

"I won't move until they write to me and explain UC to me and ask me to move. I am too busy running my business to voluntarily get information and move, without them telling me 'it's time'."

Working Tax Credit claimant

In order to feel more informed, positive and prepared, Tax Credit claimants need more knowledge about Universal Credit

A number of key questions/concerns to address:

- Exactly what is expected of me?
- Will I still be eligible?
- How is UC different to Tax Credits?
- Will I be worse off?
- Will there be a delay in my payments?
- What are the benefits of UC for self-employed people like me?
- When and how do I switch to UC?
- Why are the Government moving claimants from Tax Credits to UC?
- How it will impact other benefits (like Carers allowance and DLA)?
- How will my fluctuating income affect my eligibility, how much I get paid and when?
- Will I be pushed into work?
- Is UC even for self-employed people like me?

"I'm about 50/50 at the moment. Until I've done more reading, I can't comment. I'd be wanting to find out if it was going to affect my carers allowance, how being registered disabled myself would affect it..."

Working Tax Credit claimant

"Remove the stigma of being associated with unemployed people."

Working & Child Tax Credit claimant

*"There's loads of bad press about Universal Credits. Why doesn't the Government put out some **good stories** about moving to UC. Or even some difficult experiences and how they were resolved quickly."*

Working Tax Credit claimant

There were 5 main areas of concern around a move to Universal Credit

1 – Eligibility

Some are concerned about the potential loss of, or reduction in, benefits due to differing eligibility criteria (e.g. impact of savings) and/or how Universal Credit might work alongside other benefits (such as housing benefit).

2 – Monthly payments and reporting

Many are used to budgeting on a weekly basis and the shift to monthly payments on Universal Credit creates challenges around managing bills, mortgage, childcare etc.

Equally, a move from an annual to a monthly reporting cycle was a key concern for many.

3 – Automatic adjustment

A significant concern among self-employed.

Many felt this reflected a lack of understanding from DWP and were incredibly nervous about it.

The prospect of getting minimal payments during some months was particularly troubling.

4 – Missed payments

One of the largest concern was around missed payments during the transition period, and receiving these as back payments (if at all).

Most felt this would not help when they have already missed the billing period, and added to levels of anxiety around financial management.

5 – Minimum income floor

Participants found this very confusing and struggled to understand how it would apply to them and how it would work in practice.

Tax Credit claimants expect the move to be communicated well in advance, and across a range of channels and accessibilities

One of the biggest concerns about a move to UC amongst Tax Credit claimants is not being informed **well enough in advance**, in order to make any necessary adjustments to working hours, budgeting, and monthly spend etc.

Another concern among a number of claimants was around the **accessibility of communications** about the move, particularly apparent among those with long term health conditions who expected it to be communicated across a range of platforms and mediums (inc. audiovisual comms.)

- This was suggested by a participant who is neurodivergent

“Write, rather than e-mail or text as people ignore that stuff from HMRC...Also send out a separate letter, rather than with other TC information. Whenever I get anything extra in my letter, I just look at the important stuff (i.e. TC statement) and don't bother looking at anything else.”

Working Tax Credit Claimant

“If they want to make easy for us to transition, maybe it will be helpful for them to write to us. Based on your circumstances, what you have now, most likely, you will get this...They have everything, so based on that information they could write to each of us and make us not be so scared to move.”

Working & Child tax credit claimant

7. Key considerations for targeted messaging development

Conclusions: Three key areas to address for targeted messaging development

1 – Reassurance

In order to feel more positive about a move to Universal Credit, Self Employed Tax Credit claimants need reassurances around:

- The process of moving over and mitigations around any risk of pauses or delays in payments
- How Universal Credit compares to Tax Credits and, ideally, not being worse off
- The support available (particularly with HMRC being contactable by phone but UC not having a phone option)

2 – Relevance

Currently many see Universal Credit as an 'out of work benefit' and need help to see how it is relevant to them. Specifically, how it can cater to their needs of being self-employed, and how it caters to those with unpredictable and fluctuating levels of income.

3 – Real life

A lack of awareness of real life examples of how Universal Credit has worked, or can work, for self-employed Tax Credit claimants does little to build confidence in the move. Information which is grounded in real life examples/scenarios would help to reassure and ensure information is relatable and rooted in the reality of what life would look like on Universal Credit.

THANK YOU

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Appendix: Stimulus materials

- You can apply for Universal Credit if you are **working** or **self-employed on a low income**, or if you are **unemployed**. It **replaces a number of legacy benefits** including Working Tax Credit and Child Tax Credit
- You can make your Universal Credit claim **online** and payments are made on a **monthly** basis if you are eligible
- You will meet with a **Work Coach** who can provide support and advice if you are preparing for work, moving into work or looking to increase your earnings. **Work coaches also support those who are self-employed grow their business**
- If you are self-employed, you are eligible for the **childcare offer (up to 85% of childcare costs)** as long as you are earning
- In return for receiving Universal Credit you need to do certain things – this is called conditionality. What you are expected to do in return for receiving Universal Credit will depend on your personal circumstances. It will take into account things like **caring responsibilities**, or whether you are **disabled** or have a **health condition**
- If you are deemed **Gainfully Self-Employed**, you will be subject to the **Minimum Income Floor (MIF)**. This means you are treated as earning a certain amount (the National Minimum Wage for someone your age, working 35 hours per week unless you have other responsibilities such as childcare). **For the first 12 months of your self-employment, the MIF will not be applied, to give you a chance to grow your business**

Automatic adjustment:

- For many who are self-employed, particularly those with seasonal businesses, earnings often fluctuate from month to month, and they need to budget and plan for this. Self-employed Universal Credit claimants are no different in this regard. The time when the claimant has lower earnings is regarded as being part of their self-employment business cycle, and the claimant should factor this into their planning.

- This means that the claimant should:
 - put earnings aside to cover this period
 - expand their business during this time
 - potentially explore other areas of employment