

Verify self-employment v16

Official - Sensitive

Use this form to:

- gather information for all circumstances relating to self employment
- gather information to decide if the claimant is 'gainfully self-employed'
- calculate the Minimum Income Floor
- decide if a start-up period is applicable
- explain to the claimant the rules around self-employment
- explain to the claimant the expectations when reporting self-employed earnings
- verify that self employment has ended

! Important: Gainful self-employment should only be considered if the claimant is in 'intensive work search', 'light touch' or 'working enough' regimes.

If the claimant is not in these regimes they are not gainfully self-employed but must still self-report their earnings, then go to 5.4 of Section 5.

ALP Content

- SECTION 1 - gather and declaration
 SECTION 2 - gainfully self-employed decision
 SECTION 3 - calculation of the Minimum Income Floor (MIF)
 SECTION 4 - assessing the eligibility for the start-up period
 SECTION 5 - decision
 SECTION 6 - verify self-employment has ended or is no longer their main employment (only use this section if required)

Section 1 - Gather and declaration

! Important To be completed with the claimant during the self employed interview (UCD5 will have been uploaded to the claimants journal)

If the claimant is a company director please seek advice from the SPOC

1.1 Ask the claimant for details of their last 2 years work history?

Self-Employment since 2016 doing Mobile cleaning Windows. Earnings for for £2800.00 and 2017 about £2700.00, has about 37 clients at the moment, average work its about 35:00hrs. and drops leaflets out to get more clients. Has no Business bank account uses his personal bank for his business, does get paid cash and Hand also some times cheques. Has no insurance at all. Claimant does not charge per hours , but per house between £7.50 to £10.00 per hrs. and I will clean the windows once a month per house.

e.g. start / end date of contracts, type of employment / description of activity, recent changes in activity i.e. average hours or earnings

If the claimant is also employed gather details regarding this as well e.g. current average number of hours and earnings, which type of work is the claimants priority and what are the reasons for this?

1.2 Is the claimant self employed?

- ☒ Yes - go to 1.3
☐ No - go to 1.9

Ask questions regarding the claimant's employment to help establish whether or not the claimant is gainfully self-employed

1.3 Gather the information below from the claimant

Business Name
(including all trading names)

[Redacted]

Business address (state if this is also the home address, and whether it is shared)

home
[Redacted]

Business email

[Redacted]

Business telephone number

[Redacted]

Business type (e.g. florist)

[Redacted]

Average number of hours spent working on business activities each week

35:00

Average self employed monthly earnings over the last year

£270

What is your self-employed status?

a sole trader

other

[Redacted]

Seek advice if needed on employed status.

When did your current self-employed activity begin?

2016

Are you responsible for your own tax and national insurance?

☒ yes

☐ no

1.7 Record the details of any other businesses the claimant is involved in below

Provide answers to all questions from section 1.3

1.8 Read the following statement to the claimant

Declaration

'I agree that the information I have given is complete and correct and will report changes to my circumstances promptly in my online account or by calling 0800 328 5644. I understand that I may be prosecuted or need to pay a penalty if I give wrong or incomplete information, or don't report a change.'

For claimants in Northern Ireland:

'I agree that the information I have given is complete and correct and will report changes to my circumstances promptly in my online account or by calling 0800 012 1331. I understand that I may be prosecuted or need to pay a penalty if I give wrong or incomplete information, or don't report a change.'

Agreed with claimant



Date

22/05/2018

Continue to Section 2

1.9 Select 'No' to question 'Is claimant required to report self-employed earnings?' on the 'Verify Self-employed' to-do

Important : If work is not carried out on a self-employed basis seek advice from Support team to determine if RTE feed has been received or if the claimant is required to self-report earnings

Read out and agree the declaration with the claimant in step 1.8

Complete the to-do

Section 2 - Gainfully self-employed decision

Important No evidence is to be uploaded to the UCFS system.

2.1 Is the claimant carrying out a trade, profession or vocation?

☒ Yes

☐ No

Record evidence used to reach your decision

Details to include:

- evidence used,
- significance
- reasoning used to reach your decision

Details not to include:

- Personal details of clients e.g. Name, Address, Bank Details.

Are you registered with HMRC as self employed?

☒ yes

☐ no

If you are VAT registered, what is your VAT number?

What is your Self Assessment Unique Tax Reference (SAUTR) number?

1.4 Please provide examples of business-related activity (i.e. market research/sales/networking/marketing) that you have already, currently or will be undertaking?

drops leaflets out to get more clients.

1.5 Ask the claimant for any further information including relevant documents relating to their self-employment?

- select boxes below for documents seen

☒ List of customers and suppliers

☐ Invoices, receipts and contracts of services

☐ Transactions record or cash book

☐ Previous years trading accounts

☒ HMRC correspondence (including previous tax returns, unique tax reference numbers etc)

☒ Relevant Bank Statements

☐ Marketing materials (e.g. business cards, flyers) and address of your business website if you have one

☐ Diary of appointments - business meetings or scheduled work/jobs

☐ Cash flow statement (including actual figures and personal survival budget)

☐ Business Plan

☐ Certificates relating to your business (e.g. Insurance certificates for business assets e.g. van and/or professional accreditation certificates e.g. Electrical installation certificate, hair and beauty qualifications, construction skills card)

☐ Pay slips (e.g. if you also work as an employee in addition to your self employed activity)

Other - Please record below any further evidence supplied not listed above

No evidence is to be uploaded to the UCFS system.

Bank statements provided as evidence must be within 6 months.

1.6 Is the claimant associated in more than 1 business?

☐ Yes - go to 1.7

☒ No - go to 1.8

2.2 the claimant's earnings from that trade, profession or vocation 'self-employed' earnings?

- ☒ Yes
☐ No

Record evidence used to reach your decision

Details to include:

- evidence used,
- significance
- reasoning used to reach your decision

Details not to include

- Personal details of clients e.g. Name, Address, Bank Details.

2.3 Is self-employment their main employment?

- ☒ Yes
☐ No

Record evidence used to reach your decision

Details to include:

- evidence used,
- significance
- reasoning used to reach your decision

Details not to include

- Personal details of clients e.g. Name, Address, Bank Details.

2.4 Is the claimant's self-employment regular, organised, developed and carried out in the expectation of profit?

- ☐ Yes
☒ No

Record evidence used to reach your decision

Working to many hours earnings not gainfully.

Details to include:

- evidence used,
- significance
- reasoning used to reach your decision

Details not to include

- Personal details of clients e.g. Name, Address, Bank Details

2.5 From the information supplied, is the claimant gainfully self-employed?

- ☒ Yes - go to section 3
☐ No - go to 5.4 of section 5

Record evidence used to reach your decision

Self-Employment since 2016 doing Mobile cleaning Windows. Earnings for for £2800.00 and 2017 about £2700.00, has about 37 clients at the moment, average work its about 35:00hrs. and drops leaflets out to get more clients. Has no Business bank account uses his personal bank for his business, does get paid cash and Hand also some times cheques. Has no insurance at all. Claimant does not charge per hours , but per house between £7.50 to £10.00 per hrs. and I will clean the windows once a month per house.

Details to include:

- evidence used,
- significance
- reasoning used to reach your decision

Details not to record

- Personal details of clients e.g. Name, Address, Bank Details.

Section 3 - Calculation of the Minimum Income Floor (MIF)

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Important: The claimant has 1 MIF that covers all businesses they are involved in.

3.1 Action:

- explain to the claimant "The Minimum Income Floor is an assumed level of earnings based on earnings that we expect a claimant to achieve through their self-employment"
- select 'Yes' to the question 'Is claimant required to report self-employed earnings?'
- record the date the claimant became self employed
- answer 'yes' to the question 'Is the claimant gainfully self-employed?'

3.2 Establish how many hours the claimant is expected to be available for work? Record the reason and evidence used to base this decision below

Claimant working over 35:00hrs per week agreed that his MIF will be £1091.06 nett per month.

3.3 Action:

- record the number of hours the claimant is expected to work each week on the to-do

Important The MIF applies from when the claimant is found gainfully self employed, unless the claimant is eligible for the startup period.

Continue to Section 4

Section 4 - Assessing the eligibility for the start-up period

4.1 Did the claimant commence their self-employment or similar self-employment as their main employment in the 12 months before the beginning of the assessment period?

- ☐ Yes - go to 4.2
- ☒ No - go to 5.1 of section 5

Example of similar employment
S/E hairdresser becomes a S/E
stylist.

4.2 Is the claimant taking active steps to increase their self employed earnings to the level of their Conditionality Earnings Threshold (CET)?

- ☐ Yes - go to 4.3
- ☐ No - go to 5.1 of section 5

4.3 Ask the claimant if they have begun a start up period in the last five years?

- ☐ Yes - go to 5.1 of section 5
- ☐ No - go to 4.4

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4.4 Has the claimant been in a start up period previously in the same or similar trade, profession or vocation?

- ☐ Yes - go to 5.1 of section 5
- ☐ No - go to 5.2 of section 5

Section 5 - Decision

5.1 Explain to the claimant

- they are deemed to be gainfully self-employed
- the start up period is not applicable and MIF will be applied immediately
- their MIF figure
- we will use either the MIF figure or actual net earnings to calculate their UC, whichever is greater
- complete notification "UCD150 - Gainfully Self Employed" and upload to the claimants journal
- the MIF figure will be recalculated if
 - the National Minimum Wage/ National Living Wage figure changes,
 - the claimant moves between age bands (18,18-20,21-24, 25 and over)
 - if there is a change in the expected hours of work e.g. youngest child reaches 5 / 13
- record the date the MIF applies from on the to-do

Notifications can be located in the Self employment folder within ALP links

Continue to 5.3

5.2 Explain to the claimant

- we have deemed them to be gainfully self-employed
- the start-up period is applicable
- their MIF figure
- complete notification "UCD151A - Gainfully Self employed start-up period" and upload to the claimants journal
- the start-up period could end if the claimant is no longer gainfully self employed
- the MIF amount will be applied in 12 months' time, or sooner if the conditions for start-up do not continue to be met
- the claimant must use this period to take active steps to increase their earnings otherwise the MIF could be applied sooner
- the MIF figure will be recalculated if
 - the National Minimum Wage/ National Living Wage figure changes,
 - the claimant moves between age bands (18,18-20,21-24, 25 and over)
 - if there is a change in the expected hours of work e.g. youngest child reaches 5 / 13

Notifications can be located in the Self employment folder within ALP links

Start-up period begins

Start-up period ends

- record the date the MIF applies from on the to-do

Continue to 5.3

5.3 Action required:

- enter the date the MIF applies from
- record the MIF review date on the to-do

The MIF figure will need to be recalculated if the claimant moves into the age bands (18-19, 20-24, 25 and over), the youngest child reaches 5 / 13 or quarterly reviews during the startup period

- ensure the claimants account is showing the correct work group and correct commitment has been accepted

Intensive work group applies if the claimant is in the start up period

Working enough applies if the start up period has ended

Continue to 5.5

5.4 Action required:

- complete notification "UCD151 - Not gainfully self-employed" and upload to the claimants journal
- select 'Yes' to the question 'Is claimant required to report self-employed earnings?'
- select 'no' to the question 'Is claimant gainfully self-employed?'
- explain to claimant the need to report earnings at the end of each assessment period.
- they will need to log into their account on the last day of their assessment period to self report their earnings and that failure to do this will prevent any payment of Universal Credit being made. The claimant will receive a to-do on the last day of each AP reminding them to report their earnings.
- there are allowable expenses and that we may ask for receipts
- update notes
- save and upload
- complete the to-do

Notifications can be located in the Self employment folder within ALP links

5.5 Explain to the claimant:

- the need to report earnings at the end of each assessment period.
- they will need to log into their account on the last day of their assessment period to self report their earnings and that failure to do this will prevent any payment of Universal Credit being made. The claimant will receive a to-do on the last day of each AP reminding them to report their earnings.
- there are allowable expenses and that we may ask for receipts
- update notes
- save and upload
- complete the to-do

Section 6 - Verify self-employment has ended or is no longer their main employment

Important: Where the claimant has declared that self-employment has ended this will need to be tested. Special attention is needed where the claimant was previously found/thought to be gainfully self-employed.

Advice can be sought from the support team and fraud and error colleagues, as necessary

6.1 If the claimant declares that self-employment has now ended, or is no longer their main form of employment, ask them for evidence to support this and complete section 2 to test this declaration.

6.2 How is the claimant now to be treated

- ☐ gainfully self employed - go to section 3
- ☐ not gainfully self employed, but still has some self employed earnings - go to 6.3
- ☐ self employment ended - go to 6.4

6.3 If it is decided that the claimant is not gainfully self-employed, but still has some self-employed earnings

- select 'Yes' to the question 'Is claimant required to report self-employed earnings?' on 'Verify Self-employment' to-do
- select 'no' to the question 'Is claimant gainfully self-employed?' on the 'Verify Self-employment' to-do
- add notes
- end any MIF and Start-up that may previously have been applied
- book the claimant a 'Commitments Review' appointment
- complete the to-do.

If the claimant was previously found/thought to be gainfully self-employed, compliance with jobsearch requirements should be monitored.

6.4 If it is agreed that all self-employment has ended

- select 'no' to the question 'Is claimant gainfully self-employed?' on the 'Verify Self-employment' to-do
- add notes
- end any MIF and Start-up that may previously have been applied
- book the claimant a 'Commitments Review' appointment
- complete the to-do.

If the claimant was previously found/thought to be gainfully self-employed, compliance with jobsearch requirements should be monitored
