

## Appendix C - Minimum Income Floor Application

Where claimants are in receipt of Universal Credit (UC) the Council are obliged by regulations to take the income into account as the DWP have calculated it.

For all other residents who are currently self-employed we will write to them in April 2019 to advise that the Council will be using the minimum income floor (MIF) from April 2021.

For new claims where UC is not in payment we may apply the MIF from 12 months from the date that they started their business.

The level of hours used for the MIF take into account the circumstance of the household; if they are employed and self-employed the hours for both will all be taken into account when calculating the MIF.

For those with caring responsibilities of a child or children where the youngest is;

Under 3	No minimum income floor will be applied, earnings will be calculated as they are for Housing Benefit.
Aged 3-4	Minimum income floor will be calculated if you are earning less than 10 hours multiplied by national minimum wage for your age group
Aged 5-12	Minimum income floor will be calculated if you are earning less than 24 hours multiplied by national minimum wage for your age group
13 and over	Minimum income floor will be calculated if you are earning less than 35 hours multiplied by national minimum wage for your age group

The minimum income floor will only apply to you if you are in the 'all-work-related requirements group'. This means that you are expected to work or look for work.

You are not in the all-work-related requirements group if:

- you look after a child under 3
- you are pregnant and it is not more than 12 weeks until your due date
- you have given birth in the last 15 weeks
- you are caring for a severely disabled person
- you have been assessed as having limited capability for work or limited capability for work-related activity within universal credit or you are in the work group or the support group of Employment and Support Allowance
- you are in full-time education
- you have adopted a child and still in the first 12 months since the adoption
- you are a foster parent of a child under 16
- you are a carer for a friend of family member
- you are under threat of domestic violence or recently have been

In line with Universal Credit rules to use the minimum income floor you would have to be gainfully self-employed. This means that you have self-employed earnings and your work is organised, developed, regular and in expectation of profit, if you are signed off sick for a prolonged period the Council will be able to use its discretion.

The Council will also be able to use its discretion where people have genuine cause for not earning the expected levels following a significant change. An example of this is if someone is a cleaner and has regular clients and moves to Mid Sussex from a different area the Council would be able to allow a grace period while clients were sought in the new area.

When calculating income to see if it is necessary to apply the minimum income floor the Council will use an average of the income earned within the previous 12 months or a shorter period if that will be more reflective of the on-going income.

Notional Tax and class 2 and 4 National insurance will be deducted from the gross earnings.

The Council is keen to work with those who will face hardship by the use of the minimum income floor either to increase their income from the current business they have or by assisting them to find employed work if their business is not sustainable. The Council's Benefits Service has a dedicated member of the team to assist those into work where they have been disadvantaged by welfare reform. The Council will also signpost customers to independent advice such as the local Citizens Advice.