

**Proposed Benefit Changes**

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* PIP Eligibility Criteria is going to be tightened up from November 2026, this will make it harder to qualify for the daily living component. People who are applying for the first time or renewing their PIP daily living component (as the mobility component is unaffected by these changes) will need to score at least four or more points in at least one of the categories in the PIP daily living section. This means that if someone scores 3 or less in all of the activity categories, they’ll no longer be eligible for the daily living component. The government will expect more people to attend a face to face assessment, however those with the most severe, long-term conditions including life-long and those which are known to deteriorate, will no longer face any reassessments.
* Work Capability Assessment that decides eligibility for New Style ESA or the Health Element under Universal Credit is being scrapped but this will not be until 2028. Instead, people applying for such benefits will only need to have one assessment which will be modelled on the current PIP System.
* The Health Elements paid through Universal Credit are being frozen for existing claimants, meaning they will no longer increase, this is from April 2026. They will not be increase in line with inflation until the 2029-30 Tax year will be frozen in cash terms for existing claimants at £97 per week from April next year - this means they will not be increased again, in line with inflation, until 2029/30. Any new claimant from 2026, will only receive £50 per week. However, people who qualify after April 2026 that have severe, life-long health conditions that are judged as never being able to work will be protected and receive an additional premium, again they will not face reassessment. There will additionally be an above inflation increase to the standard rate of UC for people actively seeking employment which could add up to £775 a year by 2029.
* Going forward, claimants under the age of 22, will not be able to claim a Health Element. Apparently, the money saved from this will be put into improving work support, training and employment opportunities.
* A consultation is happening regarding the age children move on to PIP, currently this is 16, when they are technically still children this is potentially going to be moved to 18 which would in fact make more sense.
* There will be the introduction of a new benefit called ‘Unemployment Insurance’ as part of the reform in contributory work-age benefits. This will be replacing New style Jobseeker’s Allowance and New style ESA with a new single entitlement. This will be a non-means-tested benefit, and it is thought the amount payable will l be determined by a person’s previous national insurance contributions. This is how New state pension currently works.
* There are plans to introduce a “right to try” policy which will see disabled benefit claimants able to retain their entitlement should they attempt to return to employment. This policy is designed to incentivise people to seek employment without fearing that their benefit entitlement will be stripped if the employment does not work out.
* People claiming Employment and Support Allowance (ESA) have already started to move onto UC but now the plan is to complete the migration of ESA on to UC by December 2025, with the final migration notices being sent out by September 2025 now, rather than December 2025.
* The administration of Pension Credit and Housing Benefit is to be be brought together for new claimants from 2026, which is two years earlier than previously announced.
* The weekly earnings limit for Carer’s Allowance will be increased to the amount earned by someone working 16 hours at the National Living Wage, rising from £151 to £196 a week.
* Deductions of debt repayments from Universal Credit are to be capped at 15% of the standard allowance instead of the current maximum deduction rate of 25%.
* The government will amend the Severe Disability Premium (SDP) transitional protection regulations to better support claimants who move from supported or temporary accommodation into rented housing. The regulations will be amended from April 2025 but it will be possible for payments to be backdated to February 2024. This will mean that affected claimants who move from supported or temporary accommodation, where their housing costs were/are paid via Housing Benefit, into rented housing, where their housing costs become part of their Universal Credit (UC) claim, should not have any transitional protection in their UC award eroded due to rent changes.
* The transition from Housing Benefit to Universal Credit (UC) is underway. However, this process isn't automatic - affected individuals will need to apply for Universal Credit. Claimants have a three-month window to do this, after which their previous benefits will cease. If people only get Housing Benefit and live in supported accommodation they will not be migrated onto Universal Credit. If people live in supported accommodation their housing costs will still be met by Housing Benefit, even though they may themselves claim Universal Credit.

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