citizens advice

Pathways to Poverty

How planned cuts to disability benefits will impact the people we support

Maddy Rose, Victoria Anns and Simon Collerton

May 2025

Executive Summary

By refusing to properly consult on its plan to cut billions from disability benefits, the government is choosing not to ask questions it doesn't want the answers to. The cuts will have a devastating impact on disabled people (and their children), sending hundreds of thousands into poverty, and many more into deeper poverty. This will result from a series of arbitrary reforms that have been designed around savings targets rather than improving outcomes, inflicting hardship on people in ways that the government doesn't yet fully understand.

Plans to cut Personal Independence Payment (PIP) spending by introducing new eligibility criteria have the potential to affect around 1.6 million current claimants - nearly half of the people currently claiming the PIP daily living component. Someone who needs assistance to cut up food, wash their hair and body below the waist, use the toilet, and dress/undress their lower body wouldn't receive PIP under the new rules. Women, older people and those with certain health conditions, including back pain and arthritis, will be hit hardest. Even people currently claiming the highest rate of PIP could be affected.

Those who are affected by changes to PIP eligibility will lose their entire daily living component, with an average loss of £4,500 per year. For our debt clients who receive PIP, that's the equivalent of losing around 20% of their income, on average. Many could face a domino effect, losing PIP along with passported support like Carer's Allowance. Children will be impacted too. Nearly 1 in 3 of the people we help with PIP have dependent children. These cuts threaten to undermine the government's ambition to reduce child poverty.

Cutting the Universal Credit (UC) health element will result in huge income losses for disabled people. The people we help with debt who are disabled, out of work and claiming UC already have an average monthly deficit of £26 in their budget, after paying for essentials. If the reduction to the UC health payment came into effect last year, this average deficit would have grown to £229 per month. The government says this is part of 'rebalancing' the system, as they are also increasing the standard allowance of UC. However, the increases to the UC standard allowance won't even restore its 2014 value, in real terms.

Scrapping the Work Capability Assessment (WCA) means the PIP daily living component will become the gateway to receiving the health element of UC. That

means many people who aren't eligible for PIP daily living will no longer be eligible to receive the UC health element. It also means that those who lose PIP because of the 4 point rule also stand to lose the UC health element. This double whammy could mean people losing over £10,000 a year - and that's before taking into account any other passported benefits.

Whilst we support the government's ambition to support more disabled people into employment, we believe these cuts will have the opposite effect. The bulk of savings are made by cutting PIP, which isn't an out of work benefit. Nearly 1 in 4 of the people we helped with PIP in 2024 were in work, and for many, the support from PIP enables them to stay in work. For those who are pushed into poverty as a result of reforms, this will only make it harder for them to work.

What's more, the idea that lost benefit income can always be regained through work is optimistic. Many people affected by cuts won't be able to move into work or increase their hours, even with improved employment support. And for those who are able to, it may be difficult to make back lost income. In many cases, people affected by the cuts would see only a small increase in income, even if they moved into full-time work. In some situations, they would still end up worse off than before the cuts.

Proposed measures fail to address the underlying reasons why more people are claiming health-related benefits. As such, they are unlikely to have the desired effect of bringing down government spending in the long term. What's more, savings are likely to lead to higher cost pressures on other public services and the voluntary sector.

We are calling on the government to act now to protect living standards for disabled people, by reversing the decision to cut disability benefits. At the very least, the reforms should be paused so that a meaningful consultation and a more substantive impact assessment can take place.

Contents

Executive Summary **1**
Contents **3**
Introduction **4**
Pathways to Work green paper 4
What is PIP? 5
What is UC health? 6
Overall impact **7**
Disabled people are already struggling 7
The impact is likely to be worse than government analysis suggests 7
Short-sighted savings 8
The people we help are scared 9
Restricting PIP eligibility **10**
What's the new 4 point rule? 10
Who will be affected? 10
What will the impact be? 18
Cutting the UC health element **26**
How are UC rates changing? 26
What will the impact be? 26
Making PIP daily living the gateway to UC health **29**
What's happening to the WCA? 29
What will the impact be? 29
Cuts could push people further from work **36**
Losing benefits can make it harder to work 36
The government must address the real obstacles to work 37
It will be difficult to make back lost income through work 39
Conclusion **40**
Pathways to Poverty 40
A savings-first approach 40
Unknown impact 41
Our asks of the government 41
Methodology **42**

Introduction

Pathways to Work green paper

The Pathways to Work green paper proposes the biggest cuts to disability benefits ever assessed by the Office for Budget Responsibility (OBR). A green paper usually seeks feedback on policy proposals through a consultation process. However, key proposals contained in the Pathways to Work green paper are **not being consulted on**, including 3 major changes:

- **Narrowing Personal Independence Payment (PIP) eligibility criteria** so that claimants must score at least 4 points in at least one activity to receive the daily living component of PIP, in addition to the current requirement to score at least 8 points in total.
- **Changes to Universal Credit (UC) rates,** including freezing the rate of UC health at £97 per week for current claimants and cutting it to £50 per week for new claimants.
- **Scrapping the Work Capability Assessment (WCA)** and making receipt of the daily living component of PIP the sole gateway to UC health.

We're disappointed that the most important changes proposed by the green paper aren't subject to consultation. **The decision not to consult should be reversed.** While the previous government had consulted on reforming PIP, its proposals didn't include the specific eligibility change proposed by the current government. The changes to the UC health element in terms of payment levels represent a significant policy upheaval, for which no consultation has taken place. The previous government's plan to abolish the WCA didn't encompass making the PIP daily living component the sole gateway to the UC health element.

This report focuses on the impact of these 3 changes on the people we help at Citizens Advice. We look at the overall impact of the package of reforms, the specific impact of each change, and the effect on people's ability to work. To inform this analysis, we've consulted with our network of frontline advisers. Citizens Advice helped over 370,000 people with disability benefit issues in 2024 alone. Our network of 239 local Citizens Advice gives us real-time frontline data from across England and Wales.

What is PIP?

Personal Independence Payment (PIP) is designed to help people with the extra costs incurred due to disability and long-term health conditions. It's not means-tested and people on PIP can and do work.

You can only apply for PIP if you've been affected by your health condition for at least 3 months and expect to be affected for at least a further 9 months.[1]

PIP is made up of two parts: the daily living component and the mobility component. Claimants normally submit a form where they describe how their disability affects their ability to get around and to manage their daily living needs. They sometimes submit medical evidence and usually go through an assessment to verify their claim.

PIP eligibility is assessed by looking at how much help you need with specific activities. There are 10 activities for the daily living component of PIP, and 2 activities for the mobility component. Daily living activities look at things like the ability to manage toilet needs and the ability to prepare food.

Claimants can receive points for each activity, depending on how much help they need for each one, with higher points relating to higher levels of need. These are then added together. Claimants must currently score at least 8 points to receive the standard rate of the daily living component and at least 12 points to receive the enhanced rate.[2] The standard rate of the daily living component is currently worth £73.90 a week. The enhanced rate is worth £110.40 a week.

PIP is a gateway to a number of other benefits and support. For example, claiming PIP can entitle you to a discount on your council tax bill, a disabled rail or bus card, accessible tickets for events and a higher rate of Local Housing Allowance (LHA) if you are under 35. It can also lead to a 'premium' payment for other benefits such as Housing Benefit and Pension Credit, and an exemption from the Benefit Cap. PIP is also a gateway benefit for receiving Carer's Allowance and the carer's element of UC, which can be paid to people who care for someone at least 35 hours per week.

---

[1] This doesn't apply for claimants who are terminally ill, who follow a different process to claim PIP.

[2] See worked example on pages 13 to 14.

What is UC health?

A Universal Credit (UC) claim is made up of a number of elements, such as the standard element, the housing element, and child elements. Disabled people can currently apply for the 'limited capability for work and work-related activity' (LCWRA) element. This is an extra payment, currently worth £423.27 a month.

Eligibility for the LCWRA payment is assessed through the Work Capability Assessment (WCA). This assesses the extent to which the claimant is able to look for or prepare for work. The possible outcomes are:

- **Fit to work** - the claimant is found to be well enough to work and will be expected to engage in work search activities. If they don't, they're at risk of being sanctioned.
- **Limited capability for work (LCW)** - the claimant is found to have a limited capability to work and will be expected to engage in work preparation activities, but won't be required to start work. However, they may work if they choose to do so. If they don't engage, they may be at risk of being sanctioned. Before April 2017, they also received an extra monthly payment.
- **LCWRA** - the claimant is found to have health difficulties serious enough that they aren't required to prepare for work or start work. However, they may work if they choose to do so. They receive an extra monthly payment.

The government is proposing scrapping the WCA and renaming the extra LCWRA payment 'the UC health element'. In this report, we use the term 'UC health element' to refer to the current LCWRA payment.

Overall impact

Disabled people are already struggling

The impact of proposed cuts to disability benefits is likely to be huge. We know many disabled people are already struggling. In 2024 alone, we helped 110,000 disabled people and people with long term health conditions access crisis support, including food banks and other charitable support. That's an average of more than 400 people every working day.

When we polled people receiving disability benefits earlier this year, over 4 in 10 were struggling to afford their essentials, with half having to use savings.[3] A quarter were avoiding medical costs, and almost a third were skipping meals to pay their bills.[4] Cuts will push many further into hardship.

The impact is likely to be worse than government analysis suggests

The government's impact assessment of proposals announced in the Spring Statement estimates that benefit reforms will leave at least 3.2 million families worse off by an average of £1,720 in 2029/30. An estimated 1 in 5 households with a disabled person will be negatively impacted. The assessment also estimates that 250,000 people (including 50,000 children) will fall into relative poverty after housing costs by 2029/2030 as a direct result of the proposals. However, this is likely to be a significant underestimate of the true impact of the cuts.

First, the impact assessment reports that 150,000 people (including 50,000 children) will be lifted *out* of poverty by 2029/2030 because of the cancellation of proposed changes to the WCA. These changes to the WCA, proposed by the

[3] Essentials were defined as food, rent / mortgage payments, bills such as energy, water, broadband, mobile and council tax, childcare, transport, insurance (e.g. car insurance), medication and toiletries.

[4] Polling figures quoted are drawn from a nationally representative survey of UK adults conducted for Citizens Advice by Yonder Data Solutions. Total sample size 2,354. Fieldwork took place between 28th February and 2nd March 2025. People on disability benefits - defined as people on PIP, UC - LCWRA element and Income based Employment and Support Allowance - were boosted to 511.

previous government, would have made the assessment stricter and therefore led to some UC claimants losing access to the health element. But the changes never actually happened. Including the decision to cancel these changes in the impact assessment decreases the estimate of the overall number of people pushed into poverty, resulting in a misleading figure. If the impact assessment just looked at the cuts to PIP eligibility and UC health payments, the overall additional number of people pushed into relative poverty could be as high as 400,000.[5]

Second, the assessment doesn't detail how many people will lose both PIP and the UC health element, or the average loss they will experience. With the PIP daily living component as the sole gateway to UC health, we expect many thousands of people will lose out on UC health and be a further £5,079.24 per year worse off.

Third, the impact assessment provides analysis for people who will cross over the relative poverty threshold in either direction, but doesn't provide analysis for how the green paper's proposals will leave people who are already impoverished more deeply entrenched in poverty. New figures sourced under the Freedom of Information (FOI) Act estimate that cuts will hit 700,000 families who are already in poverty. This means any change that reduces their income leaves them in deeper poverty, although it wouldn't register as an increase in the overall poverty rate.

Short-sighted savings

The government has been clear in its belief that the benefit bill is too high and must be reduced. Narrowing PIP eligibility criteria and cutting UC health alone will mean cuts of at least £6.4 billion by 2029/30.

However, the OBR has described the impact of cuts as 'highly uncertain', and flagged that previous reforms have often saved much less than initially expected. Updated forecasts show spending on disability benefits is expected to still rise by more than £21 billion by 2030, and incapacity spending by £8.9 billion over the same period.[6]

[5] It's not possible to calculate an exact figure from the information provided.
[6] Between 2023/24 - 2029/30.

Without addressing the underlying causes of rising costs, including ill-health and barriers to work for disabled people, any cuts are likely to be short-sighted and fail to have the desired effect on long-term spending. What's more, savings could lead to higher cost pressures in other areas. Charities, local councils, schools and the NHS will all see greater demand as the need for crisis support, debt recovery, homelessness, and health services increases.

The people we help are scared

The people we help are already being impacted by the proposals. In the days following the announcement, we saw a large increase in views of our webpages, including a 244% increase on our page explaining PIP eligibility.[7] Our advisers say the people they help are feeling panicked, anxious and stressed. In a recent survey of advisers, 86% said they had either helped or were aware of colleagues who had helped someone who was concerned about the reforms.[8] Many have reached out specifically because they're scared of what the changes will mean.

> *"We started to get calls the day of the announcement through Adviceline, with at least one client saying they were going to self-harm. [We've seen] extreme anxiety from clients who are very worried about these changes. Our advice line was so busy with people calling about the announcements that we had to create a generic response for our advisers to give them."* - Citizens Advice adviser

Kevin* is currently undergoing chemotherapy and receives PIP and UC health. He went to his local Citizens Advice after he heard about the government's plans to reform disability benefits. He's very worried about whether he will still be eligible for PIP even though his health is expected to decline in the coming years. He was also unaware of when the changes were going to come into effect and was worried he would start losing his benefits within the next few months. Kevin explained that this is damaging his mental and physical health as he deals with the financial uncertainty.

*All names have been changed

[7] Comparing traffic on 17th and 18th March 2025 to traffic on 10th and 11th March 2025.
[8] Based on a survey Citizens Advice advisers in April 2025, n=238.

Restricting PIP eligibility

What's the new 4 point rule?

Under current rules, you must score at least 8 points across daily living activities to qualify for the daily living component of PIP at the standard rate. If you score 12 or more points, you'll get the enhanced rate. These thresholds can be met through any combination of scores. For example, 2 points in 4 activities, 4 points in two activities, or 8 points in one activity would all total 8 points and grant eligibility for the standard rate.

The green paper proposes making it a requirement for claimants to score at least 4 points in at least one activity to receive the daily living component of PIP. This is in addition to the current requirement to score at least 8 points in total. This means someone scoring between 1 and 3 points across several activities will no longer be eligible for the daily living component of PIP, even if their cumulative score is above 8 or 12 points.

This change is scheduled to come into effect from November 2026. It will apply to all new claims - for existing claimants, it will apply at their next award review.

This is a significant change in the way PIP eligibility is determined, for which the government hasn't provided a clear rationale beyond the need to make savings. The green paper simply says the reform 'will focus PIP more on those with higher needs'. This isn't the case: many on the enhanced rate aren't awarded 4 points in any single category, and it isn't apparent why someone with 4 points in only one category is deemed 'higher needs' than someone scoring less than 4 but across a wide range of categories.

Who will be affected?

Our advisers say it's very common for people to receive PIP by scoring less than 4 across multiple activities. Currently, only just over half (54%) of people receiving the PIP daily living allowance score 4+ points in at least one activity - meaning around 1.6 million existing claimants don't meet the new threshold. Looking just at those claiming the standard rate of daily living, the vast majority could be at risk of losing PIP, with 87% not meeting the 4 point threshold.

The government's impact assessment estimates 800,000 people will lose the PIP daily living component by 2029/30 because of the 4 point rule. That includes 370,000 people who are already claiming PIP (10% of the current caseload), who will lose it when their claim is reviewed. These estimates take into account behavioural factors, for example, changes in the way people apply for or are assessed for PIP once the new rules come into place. But these factors are impossible to guarantee - the OBR says estimates are a 'highly uncertain judgement'. The number of people who could be at risk of losing PIP before behavioural factors are accounted for is much higher.

There's a misconception that this change won't affect those with more serious conditions. But it's possible to score 12 points, qualifying for the enhanced rate of daily living, without scoring more than 2 points in any single activity. Currently, 13% of claimants getting the enhanced rate of PIP daily living don't score 4 points in any single category. It's not the case that someone who scores less than 4 points across multiple categories must have lower health-related and financial needs than someone who scores 4+ points in one activity. Advisers tell us that the cumulative impact of low scores across multiple activities often amounts to a level of need greater than the sum of its parts.

Moreover, the bar is set high, even to receive the lowest points for each activity. Someone who needs assistance to cut up food, wash their hair and body below the waist, use the toilet, and dress/undress their lower body wouldn't score above 2 points in any one activity. Our advisers tell us that it's usually difficult for anyone to score more than 2 points on a single activity, even for claimants with high levels of need. For example, one adviser helped someone who suffers from intense pain most days, and as a result, usually can't leave the house and is unable to work. Another adviser helped someone with severe anxiety that prevents her from undertaking most everyday activities. Both of these people would lose PIP under the new rules.

> *"Under the proposed new rules, [my] client wouldn't qualify for PIP. He had a total of 10 points for Daily Living but did not have more than 2 points on any of the questions. This is someone who suffers from permanent pain with no chance of his condition improving. Due to his condition, he's unable to work."* - Citizens Advice adviser

"Achieving 2 points against a question already indicates an above-basic need for help with an aspect of daily life, and many clients achieve their 8 points with a combination of these. Requiring 4 is excessive and will exclude many people." - Citizens Advice adviser

Sarah* has fibromyalgia, autism, chronic pain and several other health conditions which make walking, cooking, shopping and other daily tasks difficult. She relies on her husband for help with all these things. On some days, her health conditions cause severe muscle spasms and she can't get out of bed.

Sarah came to Citizens Advice for help with her PIP application and scored 11 points total for the daily living component by scoring 1 or 2 points across multiple descriptors. This means she'll get the standard rate for this component and is just below the 12 point threshold for the enhanced rate. Under the changes, she wouldn't receive the daily living component of PIP at all despite the difficulties she faces.

PIP will help Sarah to pay for the aids and adaptations she needs. This will increase her independence and enable her to do the things she currently struggles with.

*All names have been changed

Even people whom our advisers believe should be awarded 4+ points in at least one category often receive lower scores at assessments. We know decision making on PIP claims is too often inaccurate. These reforms could see already high levels of appeals rise further as people seek to challenge low scores that would previously have been accepted.

"*PIP tends to 'stop' at 2 points even if 4 points is more accurate, and claimants are usually unwilling to challenge as they are afraid of losing what they have. So thousands of people are likely to lose their PIP awards due to poor quality PIP assessments - and it's these faulty assessments that will also be the gateway to the UC health element.*" - Citizens Advice adviser

"From my point of view, I think almost all PIP claimants will be affected. Almost every award of PIP I've seen has been made up of the client scoring 2 points across multiple daily living activities, even where this seems completely inappropriate - for example, someone who's barely able to stand, walk or use their hands being awarded 2 points for needing an aid or appliance to cook." - Citizens Advice adviser

Graham* has multiple sclerosis (MS). Graham was initially awarded 0 points and told he wasn't entitled to PIP. We supported him through a reconsideration, but the decision was upheld. At a subsequent appeal, Graham was awarded 13 points - enough to qualify for the PIP daily living component at the enhanced rate. He took on a part-time job and used his PIP support to fund taxi fares to work and other necessary expenses. Anything left over was used for utility bills.

Graham receives the enhanced rate despite not scoring 4 points on any descriptor: under the green paper proposals, he would lose his entire PIP award.

*All names have been changed

You can see the breakdown of Graham's current PIP award in the table below:

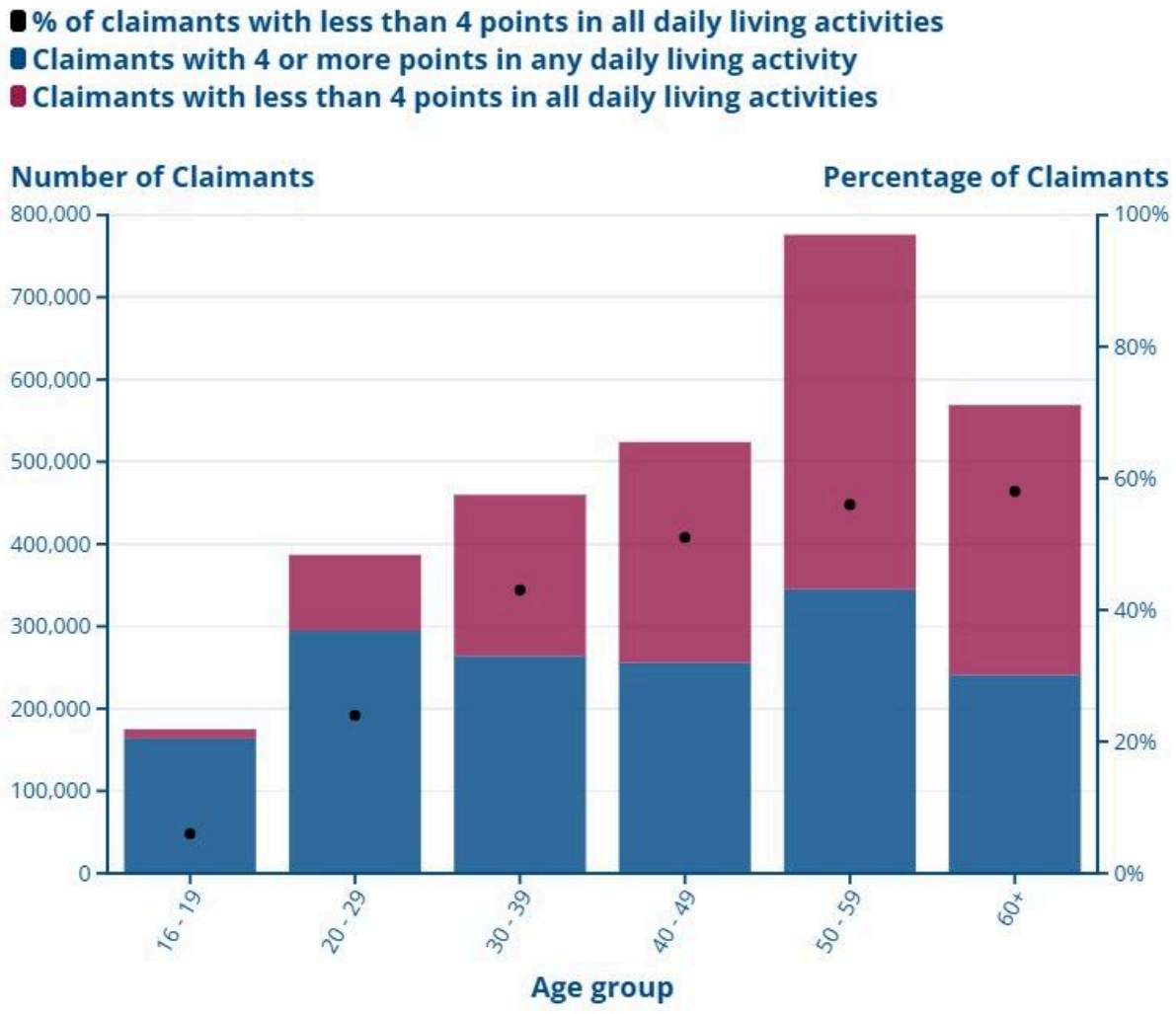
Activity	Graham's situation	Points
Preparing food	In the kitchen he can't stand for long and has to use a stool. He also bought plastic grip aids and uses specially adapted lightweight pans.	2
Taking nutrition	He uses adapted cutlery due to weakness in his wrists and hands.	2
Managing therapy or monitoring a health condition	He has a habit of forgetting to take medications or overdosing, so his son has to remind him every time.	1
Washing and bathing	He will only shower when someone is home and agrees to keep guard. This is because he's prone to falls in the shower.	2
Managing toilet needs or incontinence	He had grab rails installed by the toilet because he can't balance to clean himself or get up without using them.	2
Dressing and undressing	He uses a sock puller to put on socks and pays to have velcro sewn into his clothes - replacing zips and buttons that he can't use.	2
Communicating verbally	Not applicable.	0
Reading and understanding symbols and words	Because of his blurred vision he needs a magnifying glass to read.	2
Engaging with other people face to face	Not applicable.	0
Making budgeting decisions	Not applicable.	0

Are people in certain demographic groups more likely to be affected?

The 4 point rule is likely to have a differential impact on different groups. For example, women are more likely to be affected than men. More than half (52%) of female current claimants don't meet the 4 point threshold, compared to 39% of men.

The government has highlighted the rising number of young people receiving PIP. But it's older people who are more likely to be impacted by the 4 point rule. Over half of those aged 40 or over don't meet the 4 point threshold, compared to around a quarter of those aged 20 to 29 and only 6% of those aged 16 to 19.

Figure 1. *Proportion and number of current PIP claimants who meet the 4 point threshold for daily living activities, by age group*



Source: PIP administrative data, published in response to an FOI request

Are people with certain health conditions more likely to be affected?

Recent commentary around PIP has often focused on the growing number of people claiming with mental health conditions, particularly anxiety and depression. It might be assumed, then, that the 4 point rule was aimed particularly at making it harder for people with these mental health conditions to claim PIP. Indeed, advisers tell us that people with mental health conditions are often awarded PIP based on the supervision and prompting descriptors, which are generally worth only 1 or 2 points. Yet it's clear now that the impact of the 4 point rule will be far wider.

The government hasn't produced any comprehensive analysis of the claimants who are most likely to lose PIP in terms of health conditions. However, in response to an FOI, the Department for Work and Pensions (DWP) have published the percentage of claimants not scoring at least 4 points in one activity by primary health condition type.[9] The figures show that about half (48%) of those claiming with anxiety and depression as a primary condition currently fail to score 4 or more in any one daily living activity. That means around 282,000 people with anxiety and depression are at risk of losing their PIP daily living award. However, the change will go beyond just affecting those with mental health conditions. Figures show a highly differential impact depending on primary condition. It's not clear if this is an intentional part of the policy design - if so, the rationale behind it hasn't been explained.

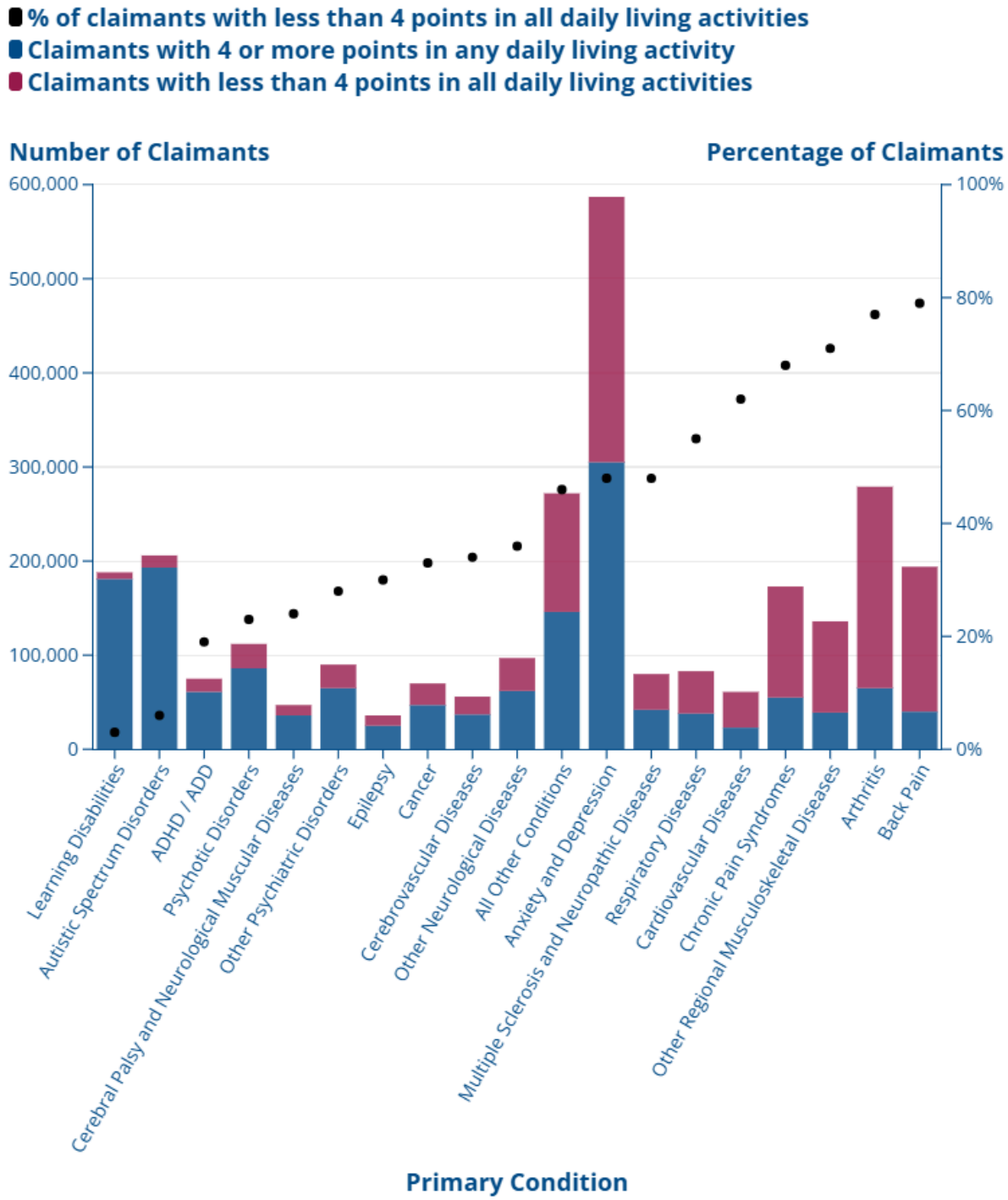
Back pain and arthritis are the two conditions most likely to be affected, with nearly 8 in 10 people currently failing to score 4+. Our advisers say that people who rely on aids or appliances to do daily tasks, such as those with arthritis, will often only score 2 points per activity in a PIP assessment. Those claiming for other regional musculoskeletal diseases (71% failing to meet 4 point threshold), chronic pain syndromes (68%) and cardiovascular diseases (62%) are the next most at-risk condition groups.

Similarly, about half of those claiming with respiratory diseases (55%) or multiple sclerosis (MS) (48%) as their primary condition don't meet the 4 point threshold. Around 1 in 3 of people claiming due to cerebrovascular diseases (like stroke) (34%), cancer (33%), or epilepsy (30%) don't meet the threshold, either. Among

[9] Many people claiming PIP have multiple health conditions, but the DWP only records their 'primary', or main condition.

the least likely to be affected are people claiming for learning disabilities (3%), autism (6%) and ADHD (19%).

Figure 2. *Proportion and number of current PIP claimants who meet the 4 point threshold for daily living activities, by primary condition*



Source: PIP administrative data, published in a FOI request

Martin* currently receives the standard rate of the daily living component of PIP. Following a stroke, his level of need has increased, so he came to his local Citizens Advice for help submitting a PIP review form. Despite a high level of need, Martin is likely to receive low points across a range of daily living activities, rather than high points in one or more activities. For example, his adviser expects he'll score 2 points for both washing and bathing and managing toilet needs or incontinence, as he requires aids to complete these activities. Despite scoring low points, he has a range of extra costs associated with his health conditions. For example, he can't prepare meals from scratch himself, so he buys pre-prepared meals, which are significantly more expensive. The time it takes to complete activities like showering also means his utility bills have increased. Under new rules, Martin is unlikely to be eligible for PIP.

*All names have been changed

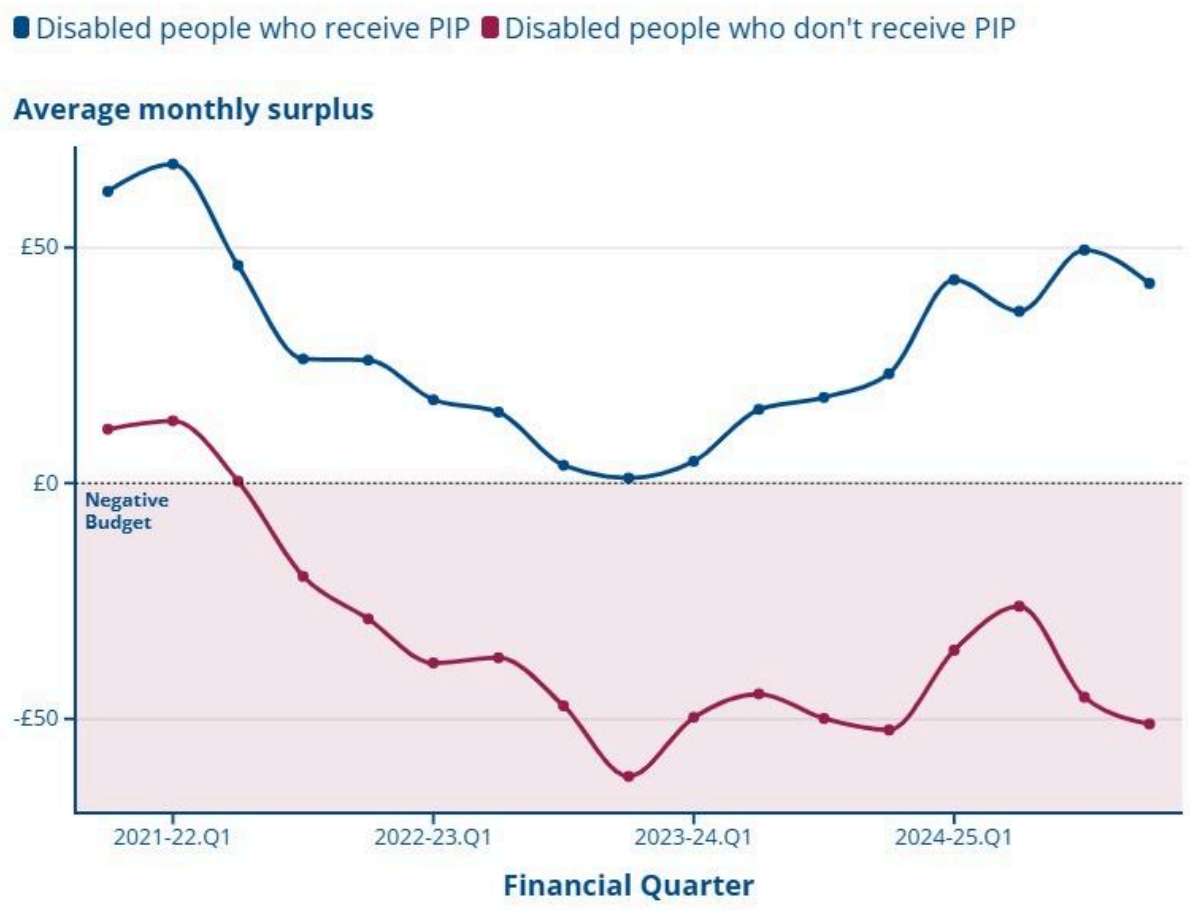
What will the impact be?

Disabled people and their children will be pushed into poverty

PIP is vital for the people we support. Life costs more if you're disabled, and PIP helps people cover those extra costs. The disabled people we help with debt are 12% more likely to be in a negative budget if they don't receive PIP.[10] Our disabled debt clients who receive PIP have an average surplus of £42 left each month after paying for essentials. Our disabled debt clients who don't receive PIP have an average monthly deficit of £51 after essentials - meaning their essential costs are £51 higher than their income, on average.

[10] A negative budget is where your monthly income isn't enough to cover your essential costs.

Figure 3. *Average monthly surplus for disabled Citizens Advice debt clients who receive PIP and don't receive PIP*



Note: Surplus equals income minus expenditure

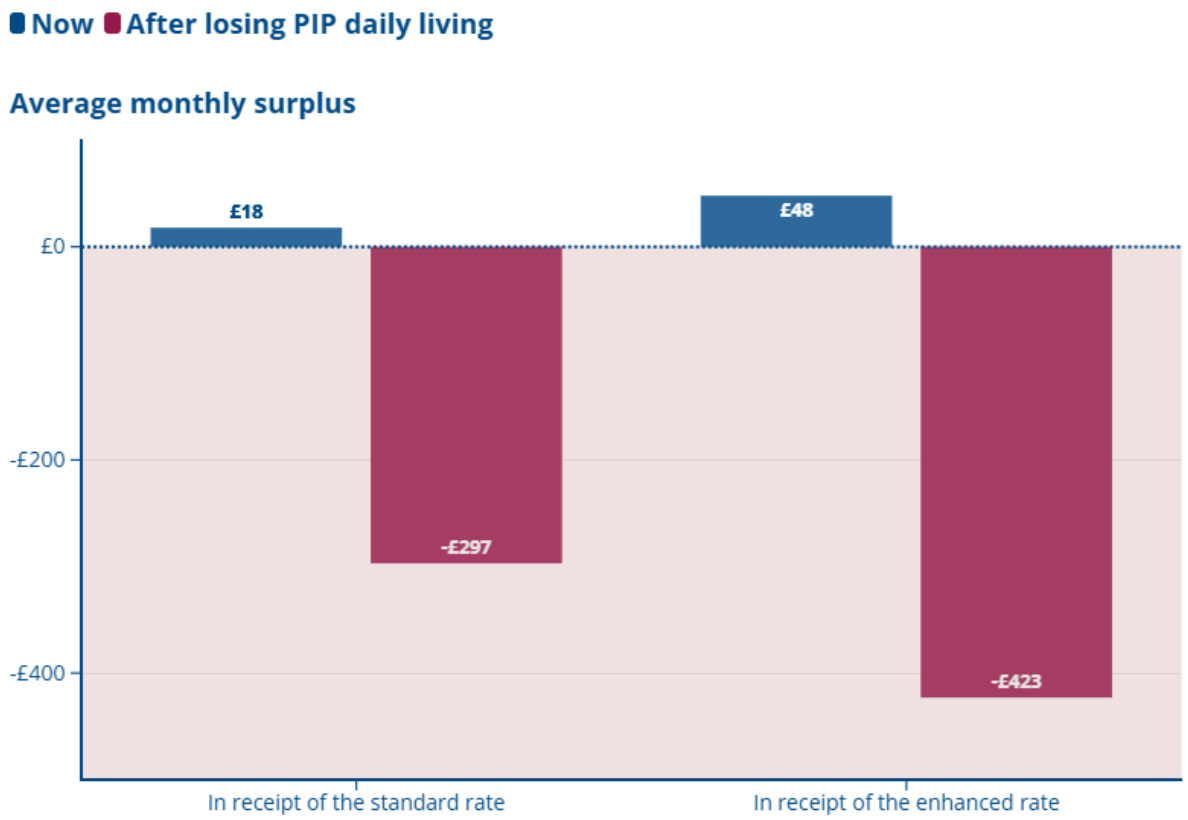
People who are affected by changes to PIP eligibility will lose their entire daily living component. In 2025/26, this is worth £73.90 per week at the standard rate and £110.40 at the enhanced rate. This equates to a loss of around £3,800 or £5,700 per year, depending on which rate you receive. The government's impact assessment says the average loss for those affected will be £4,500 per year. For our average debt client receiving PIP, that's the equivalent of losing around 20% of their income.

The government estimates that this change to PIP alone will push an additional 250,000 working-age adults into poverty after housing costs by 2029/30. Looking at the budgets of a group of our debt clients who receive the daily living component of PIP at the standard rate, their average monthly surplus in 2024/25 was £18. That means that after paying for essential costs, they had £18 left over

each month, on average. If this group lost the PIP daily living component in 2024/25, we'd expect them to fall into an average deficit of £297 a month.

The impact will be more drastic for those receiving the enhanced rate of daily living payments. Looking at a group of our debt clients receiving the enhanced rate, their average monthly surplus in 2024/25 was £48. But if this group lost the PIP daily living component in 2024/25, we'd expect them to fall into an average monthly deficit of £423 a month.

Figure 4. *Impact of losing the PIP daily living component on our debt clients' monthly budgets*



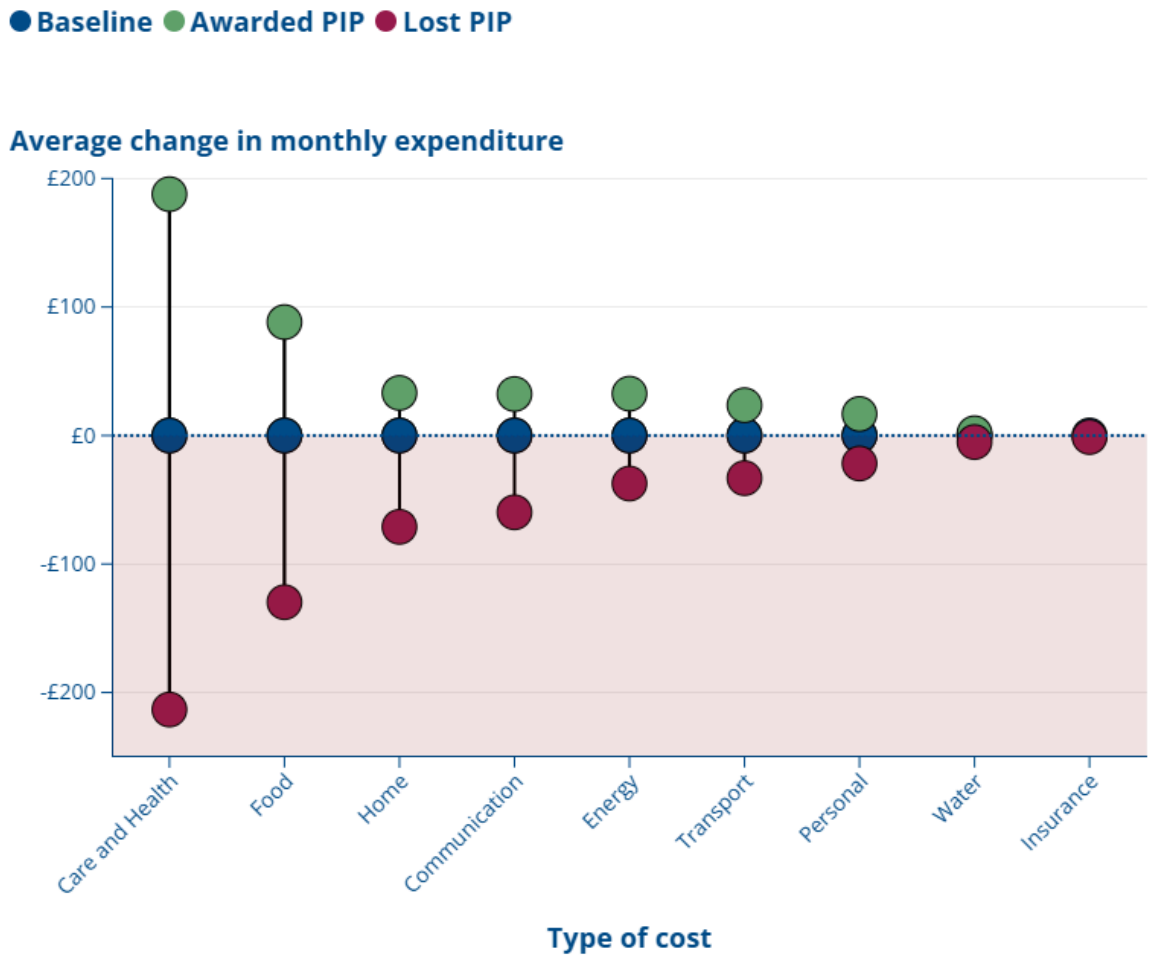
Note: Surplus equals income minus expenditure. This graph models the impact of the proposed cuts using the budgets of a group of Citizens Advice debt clients who are in receipt of the standard or enhanced rate of the daily living component of PIP. For more information, see Methodology on pages 42 to 44.

Children will be impacted too. Nearly 1 in 3 (28%) of the people we help with PIP have dependent children. The government estimates that an additional 50,000 children will be pushed into poverty by 2030 as a result of changes to PIP. This poses a serious risk of undermining the government's stated ambition to reduce child poverty.

People's health conditions could worsen

For many, losing PIP will mean their health condition worsens. When our debt clients lose PIP, they cut their spending on health and care by an average of over £200 a month. They also spend an average of £130 less on food each month. Cutting back on these essential costs is likely to lead to worsening health outcomes. For those who'll see their income drop by thousands each year, failure to afford basics like food, heating and health costs like aids will inevitably exacerbate existing health conditions. Losing PIP is also likely to increase stress and anxiety, both of which may worsen mental and physical health conditions.

Figure 5. *Average change in spending for our debt clients who started or stopped receiving PIP*



Notes: Clients included here are debt clients since 2019 who came for advice and returned for a follow-up within a year. The green group went from not receiving PIP to receiving PIP, and the red group went from receiving PIP to not receiving PIP. The inflation that took place between the first and second visits isn't controlled for, making these estimates slightly conservative.

The knock-on impact will be far-reaching

Many of those affected by PIP cuts also receive the UC health element, worth around £423 in 2025/26, which they will lose when PIP daily living becomes the sole gateway to receiving UC health.[11] Losing PIP could mean losing other passported benefits and support too, including:

- Top-ups to other benefits, including Housing Benefit, Jobseeker's Allowance, Income Support, Working Tax Credit, Employment and Support Allowance and Pension Credit.
- The one-bedroom local housing rate for under 35s (who would otherwise only receive the lower shared accommodation rate).
- Council tax discounts.
- Travel support, including a Disabled Persons Railcard.
- Exemption from the Benefit Cap, which otherwise limits the total amount of benefit income you can get.
- Access to accessible tickets for events.

Losing PIP has knock-on impacts not just on individual claimants, but their wider families, households and support networks. PIP is a gateway benefit for receiving Carer's Allowance (worth around £4,300 a year) and the carer's element of UC (worth around £2,400 a year), which can be paid to people who care for someone at least 35 hours per week. An estimated 150,000 unpaid carers will lose Carer's Allowance or the UC carer's element because of cuts to PIP. For those that are no longer able to provide care because of the cuts, more costly care will need to be provided by an already overburdened social care system. Those who continue to be carers, even if they no longer qualify for support, are unlikely to be able to top up their income through paid work, and many will be faced with impossible decisions.

[11] See pages 29 to 35 for more details.

David* came to his local Citizens Advice for help applying for PIP. He has arthritis, which causes him constant pain and he struggles to bathe, cook, dress and stand. He uses food bank vouchers and relies on his daughter for help every day.

With an adviser's support, he filled out the PIP application. Under the current system, David will probably get PIP but is unlikely to score 4 or more points on any daily living descriptor. This means he wouldn't qualify for PIP under the proposed changes. This also means his daughter wouldn't be able to claim Carer's Allowance and would have to go back to work. Without her support, David would struggle to do essential everyday tasks and would be at risk of falling and hurting himself.

*All names have been changed

What's more, many carers are disabled themselves and could lose access to both PIP and Carer's Allowance or the UC carer's element. A third of the people we advised on Carer's Allowance or the carer's element of UC in 2024 also needed help with issues related to PIP, and 62% were disabled or had a long-term health condition. Over 190,000 people receive both PIP and Carer's Allowance, and 95% of this group receive the daily living component of PIP. Many will be at risk of losing both benefits under the new rules.

The worked example below highlights how a family could lose almost half of their income because of the knock-on impact of losing PIP:

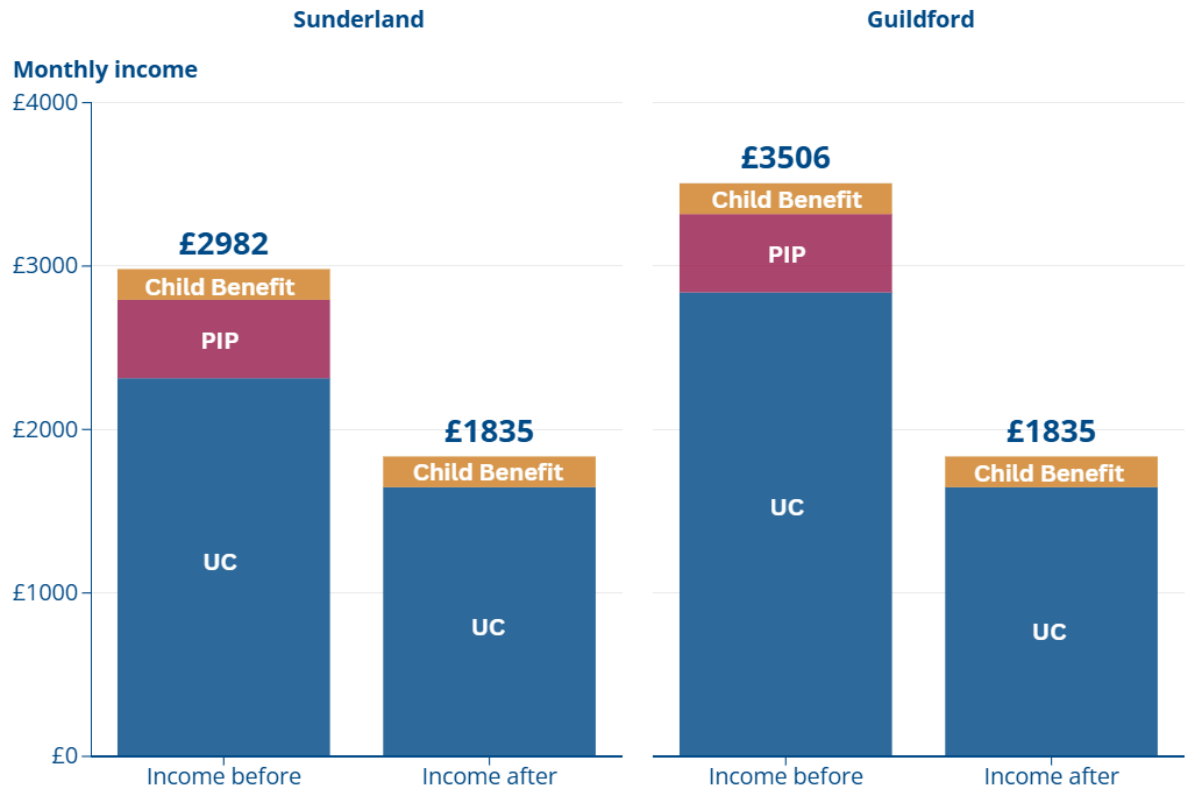
Adam and Kate have 2 young children and live outside of Greater London. Adam is disabled and receives the enhanced rate of the PIP daily living component. However, he didn't get more than 2 points in any descriptor. Kate receives Carer's Allowance because she provides more than 35 hours of care per week. They're on UC, and receive the UC health element as well as the carer's element.

In total, they currently have a monthly income of £2,506.50, excluding housing support.

Because Adam didn't get at least 4 points in at least 1 PIP descriptor, he would lose his PIP daily living component. This would mean he's no longer eligible for the UC health element and Kate would lose access to Carer's Allowance and the carer's element. As a result, their income would be reduced to £1,401.86 a month, excluding housing support. This is a loss of £1,104.64.

However, they would also lose access to their Benefit Cap exemption. If their housing element is more than £433.14 per month, they would exceed the level of the cap and face a further reduction to their income. This means that if they rented a 2 bedroom house in Sunderland, their overall loss of income due to the proposed changes would be £1,146.49 a month. If they lived in an area with a higher LHA rate, like Guildford, they'd be losing £1,671.45 each month due to the cuts. That's **a loss of almost half (48%) of their income**. And because of the Benefit Cap they also wouldn't benefit from the UC uplift.

Figure 6. *Adam and Kate's income before and after the proposed changes, by location*



Notes: This worked example uses the 2025/2026 benefit rates. It assumes that the children are under 8 years old and share a bedroom. Carer's Allowance doesn't appear on the chart because it would be deducted from their UC entitlement. The household would not benefit from the UC uplift due to the limits of the Benefit Cap.

Cutting the UC health element

How are UC rates changing?

The government plans to freeze the UC health element for current claimants at £97 a week in 2026, until 2029/30. 2.25 million claimants will be impacted by this freeze, with an average loss of £500 per year. For new claimants, the UC health element will be reduced by about 50% to £50 a week from 2026, and then frozen until 2029/30 - a cut of more than £200 a month. 730,000 future claimants are expected to be affected, with an average loss of £3,000 per year.

There will be an additional premium for those with 'the most severe, life-long health conditions', but there aren't any details about how much money this will be. There will also be a small increase of £7 a week to the standard allowance of UC, bringing the total standard allowance to £98 per week in 2026/27.

The government has failed to justify the cuts to UC health in terms of making the disability benefits system more effective. As we show below, the small increase in the standard allowance will have virtually no impact in offsetting the impact of cuts. There's no evidence that cutting benefit rates in itself means people are more likely to move into employment, especially the group in question who are deemed to have limited capability to even prepare to search for work under the current system.

What will the impact be?

The government says these measures are about 'rebalancing' the benefits system and addressing 'perverse incentives'. Their argument is that the high rate of the UC health payment compared with the low rate of standard allowance puts people off trying to work, for fear of losing their health element. But it's worth noting that you can receive the UC health element and work, although not all claimants are aware of this. The UC health element actually makes trying work more affordable as people receiving UC health have a 'work allowance' - an amount you can earn before your UC payments start to be reduced.

Our advisers say these cuts are unlikely to improve employment prospects for the people they help, and fail to address the real barriers disabled people face to finding work. In a recent survey, only 8% of our advisers thought changing rates

in this way would encourage people to find work. The majority (67%) didn't think the reforms would help.[12] Instead, advisers emphasised that there is a lack of accessible jobs for disabled people,[13] and that forcing people to work who aren't ready could result in worsening their health conditions.

> *"There's no guarantee that any of these people will be able to find work. And it's not that they don't want to. It's more like it's not accessible to them. The job market right now is absolutely terrible."* - Citizens Advice adviser

> *"Why pretend that [increasing the standard rate of UC] somehow will balance out the loss of money for the people who probably aren't going to get a job."* - Citizens Advice adviser

Rather than 'rebalancing', the changes simply result in huge income losses for disabled people, many of whom are already struggling to make ends meet. The people we help with debt who are disabled, out of work and claiming UC already have an average monthly deficit of £26 in their budget after paying for essentials. If the measure to reduce UC health payments by nearly 50% had come into effect last year, this average deficit would have grown to £229 per month.[14] The government's impact assessment estimates that an additional 50,000 people will be pushed into poverty because of this measure alone.

The planned increase in the UC standard allowance doesn't even take it up to the level it was back in 2014 (in real terms) before successive freezes and below-inflation increases. The projected UC standard allowance rates in 2029 will still be £15 per month (£174 per year) lower for single claimants, and £23 per month (£273 per year) lower for couples, than would be the case if the UC standard allowance had simply been increased consistently by inflation since 2014.

[12] Based on a survey of Citizens Advice advisers in April 2025. n=220; 8% yes - these measures will encourage people to move into work, 67% no - these measures won't encourage people to move into work, 25% not sure/don't know.
[13] See page 38 for further discussion.
[14] We are not able to isolate receipt of the UC health element precisely in our debt client data. But we are confident that many of these clients had LCWRA status, and therefore the UC health element in 2024/25.

Figure 7. *The government's proposed uplift to UC by 2029 won't restore value lost since 2014*

Notes: SA refers to the Standard Allowance of UC. The 'inflation uprating' scenario applies OBR CPI forecasts for 2025-2028 to the current UC SA rates. The 'inflation uprating since 2014' scenario applies ONS CPI outturns for 2014-2024 and OBR CPI forecasts for 2025-2028 to 2014 UC SA rates. The 'plus uplift' scenario is based on the government's announcement that the weekly UC SA rate for single claimants will be £106 in 2029; the couple rate is calculated as approximately 157% of the single rate, in line with previous years. All rates refer to those available for people aged 25 or over.

Making PIP daily living the gateway to UC health

What's happening to the WCA?

The WCA, which is currently the gateway to receiving the health element of UC, is being scrapped in 2028/29. Under new proposals, receipt of the daily living component of PIP will become the sole gateway to the UC health element. As a result, every disabled person on UC must apply for PIP to be considered for the UC health element.

This means that **the UC health element will no longer be granted to people based on their ability to work.** The government says this is to remove the binary groups of 'can or can't work' from UC. Instead, receipt of UC health will depend on the extent to which someone has significant challenges in daily living activities. The UC health element will therefore be a top-up to PIP for those with no or limited other sources of income.

However, using the PIP daily living component as a gateway to UC health seems like an arbitrary choice. The PIP assessment is designed around different principles to the WCA, and therefore this change may result in a range of claimants losing benefits entitlements, without a clear policy rationale.

What will the impact be?

A single health assessment

Scrapping the WCA means disabled people will only have to go through one health assessment - the PIP assessment. In theory, there are some positives to a single assessment system. Health assessments are time-consuming at best, and can be distressing at worst. A single health assessment could mean one less hoop for disabled people to jump through. In a recent survey, about half (47%) of our advisers agreed in theory that there should be a single health assessment.[15] However, many said that a single assessment would only work if implemented correctly, and crucially, if assessments were significantly improved.

[15] Based on a survey of Citizens Advice advisers in April 2025. n=228; 47% agree, 34% disagree, 19% don't know.

> *"One very good assessment, which takes into account written statements and medical evidence well, would be a more streamlined approach. But I don't trust the current system to manage this well."* - Citizens Advice adviser

The PIP assessment is deeply flawed. Too often, it reaches the wrong outcome. This means many disabled people are wrongly denied thousands of pounds a year and forced to go through a lengthy and arduous appeals process. In 2024, we helped more than 50,000 people challenge a PIP decision. Most appeals (68%) that reach a tribunal are overturned in favour of the claimant. The majority of overturned decisions are based on the tribunal reaching a different conclusion based on the same evidence. With a single assessment system, there's more pressure on PIP assessments to get decisions right the first time. Being wrongly denied could mean losing not only PIP but also the UC health element.

> *"The assessments are so poor that having two by different assessors gives some probability that one of them will be correct. All the eggs in one basket will mean that clients won't get any extra help, despite health problems limiting activities."* - Citizens Advice adviser

> *"When two lots of money rest on one assessment, a poor decision is devastating."* - Citizens Advice adviser

People face long delays waiting for PIP decisions. The average wait time for a new PIP claim decision is currently 16 weeks, and appeals take much longer. When PIP assessments become the gateway to UC health, people will be waiting for UC health as well as PIP.

> *"If you're going for a PIP appeal, you'll be waiting about 12 months. So, if we're relying on PIP appeals for the knock-on to the [UC health element], it's going to be a nightmare. It's going to be horrendous for people."* - Citizens Advice adviser

> *"What also concerns me is the time it takes to get PIP in place. Cancer patients, like many others, need the financial support now, when they need it, not 4-8 months down the line."* - Citizens Advice adviser

> *"The current claims process for PIP - especially if decision challenges are included - is indefensibly long. Adding more PIP claims will break the system, with disabled applicants waiting months (or years) for a final award decision."*- Citizens Advice adviser

The government has promised to review PIP assessments. It's crucial that this review overhauls PIP decision making and assessment processes, and makes the PIP assessment fit for purpose as a gateway to not only PIP but UC health. The green paper does also include some other reforms to assessments, like making recording assessments standard practice. But it remains to be seen if these reforms will go far enough.

People who aren't eligible for PIP daily living won't get UC health

Scrapping the WCA means anyone who isn't eligible for the PIP daily living component will no longer be eligible for UC health payments. Currently, there are over 42,000 people who claim UC health but not PIP daily living. If they can't claim PIP, this group will lose UC health. The UC health element is currently worth around £423 a month - more than £5,000 a year. The disabled people we help with debt who aren't working, claim UC, but don't claim PIP, already have an average monthly deficit in their budget of £63, after paying for essentials. Losing over £400 a month would push many people into, or deeper into, debt.

There are 4 main groups that we're concerned could miss out on UC health under the new rules. First, people who have work-limiting conditions but aren't eligible for PIP. The WCA and PIP assessments focus on different things. PIP is a system based on the extra living costs associated with disability and ill-health. In contrast, the WCA assesses a person's ability to work. Some people may face fairly limited extra living costs as a result of being disabled, but still have a condition that makes working impossible. Under current rules, someone in this situation could claim UC health but not PIP. Under the new rules, they'd receive neither.

> *"PIP criteria don't cover some of the issues which WCA covers - e.g. danger to self or others, unable to sit or stand for more than 30 minutes - these make it difficult to work full-time or at all"* - Citizens Advice adviser

"I believe that there are people who are unable to work for a protracted period of time who may not need 'day to day' support. And the base level of UC is currently not enough to live on for any length of time."- Citizens Advice adviser

Olivia* suffered an accident which means she has pain in her spine, shoulders and arm. She's currently on the waiting list for a spinal clinic and physiotherapist. Olivia struggles to cook, wash and dress and experiences a lot of pain when she sits down. She currently receives UC health, which is her only source of income, and came to a local Citizens Advice for help completing a PIP application.

The adviser explained that she might not get PIP as there are no descriptors which cover sitting which is when she experiences the most pain. Olivia needs to get up regularly to relieve this pain which is making it difficult for her to find a job, even though she wants to work. If PIP daily living becomes the gateway to UC Health, she will lose access to that benefit too.

*All names have been changed

Second, those with temporary conditions, such as people undergoing cancer treatment, experiencing high-risk pregnancies, or waiting for surgery, could also be excluded from receiving UC health. That's because to claim PIP, your condition must be expected to affect you for at least 12 months in total. Currently, you can qualify for the UC health element if your condition affects you for 3 months. This means that people who have short-term health conditions which stop them from working will no longer receive extra financial support in UC.

"PIP is awarded for long-term illness, but sometimes people can't work in the short term and they would get no extra financial assistance" - Citizens Advice adviser

"Will current protections for cancer patients in UC health continue? [...] Perhaps these protections could be extended to PIP for the duration of treatment? [...otherwise] it will be carnage for cancer patients." - Citizens Advice adviser

> *"Applications for PIP will increase, and many won't meet the criteria. I work with cancer patients who will go back to work when they're well again, [they] can't work [right now], but wouldn't qualify for PIP."* - Citizens Advice adviser

Third, people who qualify for the mobility component of PIP won't be able to claim UC health unless they also receive the daily living component of PIP. Currently, almost 142,000 people are claiming PIP mobility components but not daily living, and therefore wouldn't qualify for UC health. This number is likely to increase as entitlement to the daily living component of PIP is restricted. Under the current rules, someone can qualify for the UC health element solely because of mobility issues, for example, if they can't move more than 50 metres without stopping, or move between seated positions without help from someone else. Under new rules, this group would need to claim the PIP daily living component to qualify, which doesn't relate to mobility issues.

The government has offered no justification for excluding these groups from receiving UC health. If UC health is intended to acknowledge the extra costs of disability and the lower earning potential of disabled people and people with serious health conditions, then these groups must be included. The review of PIP assessments should consider how these groups could be captured within the PIP assessment.

People hit by PIP cuts will face a double whammy

The fourth group who will miss out on UC health when the WCA is scrapped are those hit by the cuts to PIP because they don't meet the new eligibility criteria. The government has not reported how many people will lose access to the UC health element as a result of scrapping the WCA. However, it's been revealed in response to an FOI request that, as of May 2024, only 1 in 3 (32%) people in receipt of the UC health element in England and Wales also receive a PIP daily living award and meet the 4 point threshold. This means that more than 900,000 people could lose the UC payment and the PIP daily living component under the proposed system.

An existing claimant of the PIP daily living standard rate and the UC health element could see their annual income fall by almost £9,000 per year if they lost both benefits. Those claiming the enhanced rate of daily living could see an annual cut of more than £10,700. For many of the people we help, this loss would be devastating. Our debt clients who are disabled, out of work, and claim

UC and PIP had an average monthly surplus in their budget of only £30 in 2024/25. If hit by this double whammy of cuts, they could lose nearly £900 a month. And that's before taking into account any other passported benefits that may be lost along with PIP.[16]

> *"We have many clients who didn't score 4 points in any area of the PIP form, but who scored 2 across most, and we don't doubt are therefore in no position to work. They would lose access to both PIP and the health element under the new rules, and are terrified about what that means for them - they will be made worse health-wise by having to work, but will have no other option."* - Citizens Advice adviser

Anita* is a single woman in her 50s. She has severe mental health problems and learning difficulties, but since the pandemic, she has lost all her mental health support. She has regular panic attacks while out in public and struggles to walk due to issues with her feet. She needs help to prepare food and get dressed. She relies on her family to remind her to eat, take medication, change her clothes and manage her toilet needs. However, she was awarded no more than 2 points per descriptor under the daily living component of PIP. Currently, with a total of 9 points, she's eligible for this component. But under the proposed changes, she would lose out.

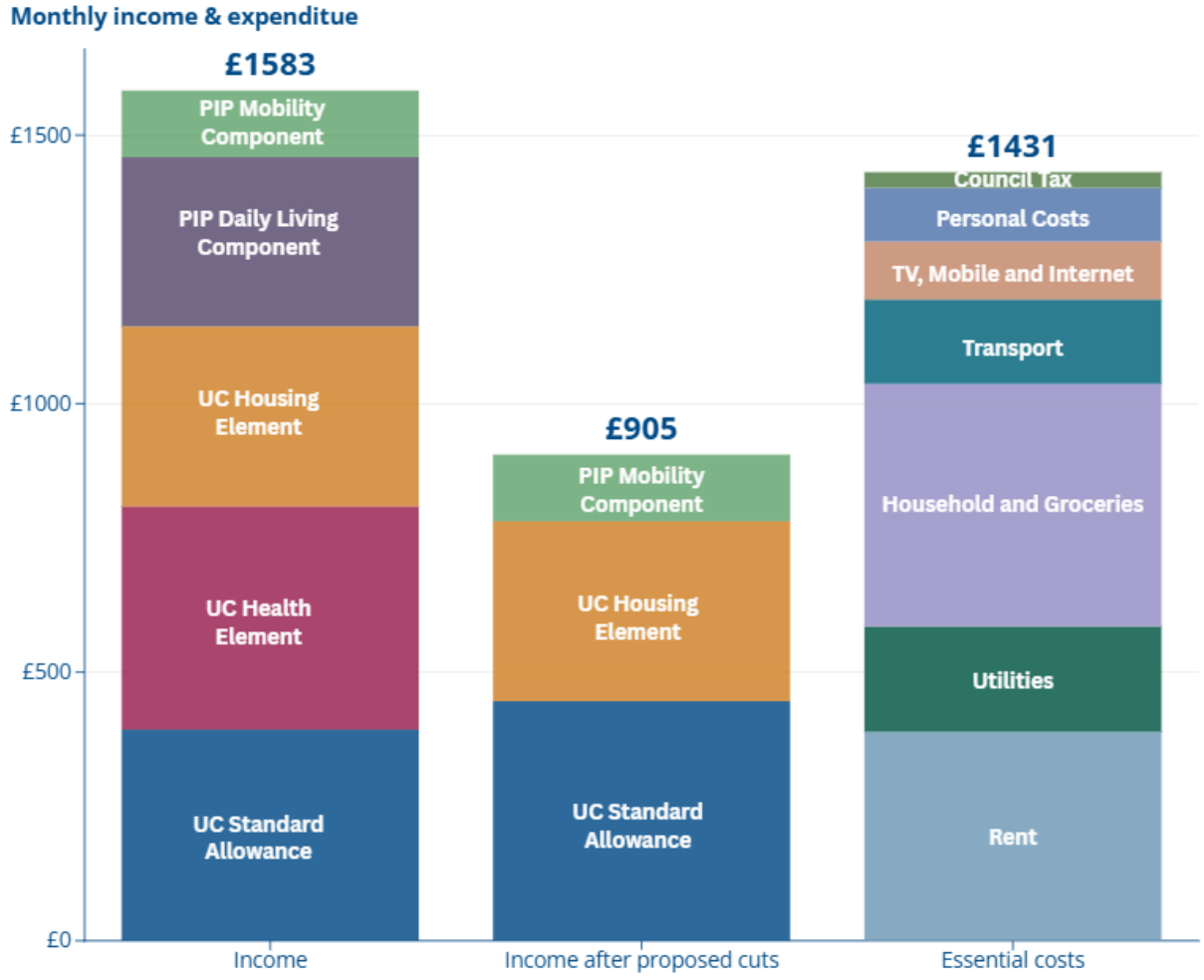
Anita came to us for help with debt. She currently has £152 left over each month after she has paid her essential costs. Losing the daily living component of PIP would tip her over into a negative budget. Every month she'd be accumulating an extra £131 of debt, just to pay for essentials.

Anita would be particularly affected by making the daily living component of PIP the sole gateway to the UC health element. The higher threshold for PIP means that she would lose out on the daily living component. This would make her ineligible for the UC health element. As a result, Anita would be £678 worse off each month - a 43% reduction in income. She won't be able to afford her basic essentials and is likely to fall further behind on her bills. This puts her at risk of eviction, debt enforcement and severe hardship.

*All names have been changed

[16] See page 22 for more detail.

Figure 8. *Anita's* budget before and after proposed cuts*



Note: This shows Anita's budget as it would be if the proposed changes came into effect today. See the methodology on pages 42 to 44 for further details.

Cuts could push people further from work

Losing benefits can make it harder to work

The government claims that this package of reforms is intended, at least in part, to encourage people to increase their income through work. But the bulk of savings are made by cutting PIP, despite the fact that **PIP isn't an out-of-work benefit.** You can claim PIP whether you work or not, and it isn't affected by your income.

Nearly 1 in 4 (23%) people who came to us for help with PIP in 2024 were in work, and for many, the support from PIP enables them to stay in work. For example, some may use PIP to cover extra costs related to working. This might include paying for taxis to the workplace if someone's unable to use public transport. Some people use PIP to pay for pre-prepared meals at work, for example if they find it too tiring to prepare food in advance of a working day. Other people use PIP to pay for additional health treatments like physiotherapy, which help them to stay in work. For many, losing PIP could make it difficult or even impossible to start or stay in work.

Our advisers tell us that this is already happening. We've helped a number of people who had to leave their job after losing their PIP support through a standard review.

> *"I supported someone who uses taxis to get to work. She can manage when in the office, but taking public transport would wear her out for the whole day, and then she'd be unable to work once she gets there. By using her PIP money, she's able to attend work. She would have to leave work if her PIP was stopped or reduced (this has happened before when a PIP decision had to be challenged)."* - Citizens Advice adviser

> *"One client with mental health conditions stated that, without the therapy that he pays for out of his PIP money, he wouldn't be able to function and cope in the same way, and therefore fears that he'd be unable to work."* - Citizens Advice adviser

For those who are pushed into poverty as a result of the reforms, this will only make it harder to work. When someone struggles to pay for basics like food, clothes and transport, it becomes tougher to find and keep a job. The link between poverty and ill-health is well established. If you can't afford food, heating or health costs, your health is likely to worsen, pushing you further from work.

> *"Just cutting people's amount of money isn't going to help anybody back into work."* - Citizens Advice adviser

The reforms also risk undermining already low levels of trust in the benefits system. The DWP's own research found that only 22% of people with long-term health conditions would speak positively about the DWP. Among other consequences, a lack of trust means that people may be less likely to engage constructively with new employment support offers, which are a key part of the overall green paper proposals.

Some people affected by cuts may manage to go back to work or increase their hours, at least temporarily. But our advisers warn that forcing people back into work before they're ready could have a hugely negative impact on existing health conditions, and mean they're less able to work in the long term.

> *"I've worked with a lot of clients with cancer who have returned back to work before they were really ready, because they couldn't afford to take any further time off due to low incomes from the benefits system. It had life-threatening consequences on their health and resulted in them being off longer than they would have been if they had refrained from returning to work too early."* - Citizens Advice adviser

The government must address the real obstacles to work

In order to support more disabled people into work, the government must address the obstacles they face in the labour market. That includes a lack of appropriate employment support from work coaches.

We know ill-health is a key barrier to finding employment, too. A DWP survey of disability and incapacity benefit claimants found that 41% of respondents were on a waiting list for treatment for their health problems, and 50% who were

currently out of work felt their ability to work was dependent on receiving treatment.

Our advisers also say there's also a lack of jobs that are accessible to the disabled people they help. Low paid work can be especially difficult for disabled people, as it tends to be more physically and/or mentally demanding, with more limited rest time. The Low Pay Commission has consistently reported on this growing intensity of low-paid work.

> *"We see many clients who struggle to access employment, we don't see an abundance of work opportunities for clients with health issues. It will simply push more clients into poverty, and we'll see an increase in mental health issues."* - Citizens Advice adviser

Discrimination is also an issue: 41% of the people who sought our help on employment issues in the last year were disabled or had long-term health problems, but this rises to 58% among people we helped specifically on employment discrimination issues.

While the green paper does include plans to invest £1.8 billion in employment support, the government hasn't published any analysis of how many people are likely to enter work as a result. This means parliamentary votes on disability benefit cuts are expected to take place without any official analysis on the extent to which income from employment could offset lower benefits income for those affected by cuts.

It seems certain that the number of people entering paid employment as a result of the government's investment in employment support will be far smaller than the 3.2 million affected by the cuts. The Learning and Work Institute estimates that new employment support could help 70,000 people into work, with a range of 45,000 to 90,000. The Resolution Foundation has a lower estimate of between 23,000 and 48,000, although notes that an additional 38,000-57,000 people could enter work as a direct result of benefit cuts.

It will be difficult to make back lost income through work

The idea that lost benefit income can always be regained through work is optimistic. Many people affected by cuts won't be able to move into work or increase their hours, even with improved employment support. And for those who are able to, it may be difficult to make back lost income. In many cases, people would see only a small increase in income by working full-time - and in some situations, they could actually end up worse off. This also relies on the very unrealistic assumption that people currently considered unable to work can suddenly take on a full-time job. For many, part-time work is a somewhat more realistic option than full-time employment. But moving into part-time work is more likely to result in a loss of income, and the financial impact is typically much greater. We have demonstrated this in the worked examples in the box below.[17]

Carl and Jessica currently receive the PIP daily living component at the standard rate and the UC health element. Under proposed changes they would lose both benefits. Neither currently work.

Carl is single and has no children. If Carl started working 20 hours a week at the National Living Wage, he'd be worse off than before the cuts - by £359 a month. Even if he was able to move into full-time work (35 hours a week), he'd still be £114 a month worse off than before his benefits were cut.

Jessica is single and has 2 children. If she was able to start working 20 hours a week at the National Living Wage after the cuts, she'd be £145 a month worse off than before her benefits were cut. If she increased her hours to full-time, she'd only be £112 a month better off than before the cuts.

[17] These case studies are hypothetical, but they are based on models estimating what would happen to people's incomes if the benefit reforms proposed in the green paper were implemented today. Specifically, they assume individuals lose their standard-rate PIP daily living component, which also means losing their UC health element, and then take jobs paying the National Living Wage.

Conclusion

Pathways to Poverty

The cuts to disability benefits proposed in the Pathways to Work green paper will have devastating consequences for many of the people we help. At a time when many disabled people (and their children) are already struggling, hundreds of thousands more will be pushed into - or deeper into - poverty. These changes will create extreme hardship for many of the disabled people who are affected, many of whom will be impacted in several different, compounding ways.

A savings-first approach

It might be assumed that such an extensive programme of reforms would start by identifying those most in need, and design changes around protecting these groups. But it's hard to see the logic behind many of the proposals, besides the fact that they're intended to reduce spending. We believe that these cuts have been designed around meeting short-term savings targets, rather than improving outcomes. This has resulted in a set of arbitrary changes that will lead to a range of unintended consequences.

It's not clear why the government believes PIP eligibility should be determined by having a high level of need in one area, rather than looking at cumulative need. Instead of protecting those with the highest level of need, a substantial minority of those currently receiving the highest rates of PIP don't meet new eligibility requirements. There's also likely to be a hugely uneven impact on people depending on their primary health condition. If this disproportionate impact is by design, the rationale has not been explained.

On cuts to the UC health element, the government claims the logic is about 'rebalancing' the system to improve work incentives. But the change overwhelmingly consists of a significant cut to UC health, and doesn't even take the standard rate of UC back to 2014 levels in real terms. Decoupling the receipt of UC health from the ability to work puts many groups at risk of losing the UC health element. This includes people with work-limiting conditions but low levels of daily living needs; people with temporary conditions, including those

undergoing cancer treatment; and people with serious mobility issues but limited daily living needs. There's no clear rationale for excluding these groups.

Whilst the scale of cuts for many disabled people is unimaginable, they're unlikely to bring the economic benefits the government hopes for. Long-term savings may be less than originally anticipated, especially once the knock-on impact on other public services is taken into account. And rather than empowering disabled people to work, we believe the reforms will push many people out of, or further from, employment.

Unknown impact

Cuts to disability benefits will have far-reaching consequences, many of which the government has yet to understand. The decision not to consult on measures means there has been a very limited window for disabled people, and the organisations that represent them, to analyse the potential impact of the reforms. There have been no formal opportunities for these groups to inform the direction of the cuts.

What's more, the impact assessment produced by the government is deeply flawed, meaning the true scale of the cuts has likely been underestimated. And no analysis has been published on either the impact of cuts on public services and the voluntary sector, or the estimated employment outcomes as a result of the green paper measures.

This means MPs will be voting on legislation to cut disability benefits with very limited information on what the impact of those cuts will be.

Our asks of the government

The government must reconsider its current approach. We are calling on the government to cancel proposed cuts to disability benefits. More immediately, we're asking the government to:

- **Reverse the decision not to consult** on cuts to disability benefits.
- **Delay parliamentary votes** on disability benefit cuts until all relevant impact assessments have been published. This should include the impact on other public services and the voluntary sector, and estimated employment outcomes from measures proposed in the green paper.

Methodology

Indicative impact of losing PIP on our disabled debt clients' monthly budgets

We looked at the budgets of more than 11,000 of our debt clients who receive the daily living component of PIP. Clients have been grouped based on recorded PIP income compared to benefit rates for 2024/25; clients whose PIP income fell outside of these benefit rates (likely due to data inputting or rounding errors) have been excluded.

This group includes single people and single people with children only: we are not able to isolate PIP rates among other household types. Our modelling assumes that the future cut (i.e. loss of all PIP daily living income if new eligibility requirements are not met) applies to individuals' 2024/25 budgets.

The group of clients receiving the standard rate includes people receiving standard rate of daily living only, standard rate of daily living and standard rate of mobility, or standard rate of daily living and enhanced rate of mobility. The group of clients receiving the enhanced rate includes people receiving enhanced rate of daily living only, enhanced rate of daily living and standard rate of mobility, or enhanced rate of daily living and enhanced rate of mobility.

Anita's case study

Anita (not her real name) came to us for help with debt in March 2025. Her essential costs depicted here are accurate for March 2025.

We have used the 2025/2026 figures for PIP and UC to show her current income. For the 'income after proposed cuts' we have used the 2025/2026 figures for PIP and the UC housing element, but have applied the UC uplift to her standard allowance to show the impact of the government's plans to 'rebalance' peoples UC claims. This allows us to see what the proposed changes would do to Anita's budget if they came into effect today. In reality, while Anita's PIP and housing element may be uprated over time, her essential costs will also increase with inflation.

Making back lost income through work - Carl and Jessica's case study

It is assumed that, where a claimant moves from receiving PIP daily living and/or UC health into paid employment, they earn the NLW of £12.21 per hour. Part-time employment is assumed to be 20 hours per week, and full-time employment is assumed to be 35 hours per week. All earnings figures represent post-tax income.

All claimants are assumed to live in the private rental sector in South Greater Manchester, where LHA rates are close to the average for English broad rental market areas. Claimants without children are assumed to live in a 1-bedroom property, and claimants with children are assumed to live in a 2-bedroom property. Adults are assumed to be able to share a bedroom, and their children are expected by the LHA system to share a bedroom. Their rent is assumed to be equivalent to the LHA maximum, although in practice it would likely be higher – creating a shortfall that would exacerbate any loss of benefits income. Their property is assumed to be in Council Tax band B, and they do not qualify for any Council Tax exemptions.

All claimants are assumed to be aged 35 or over. All of their children are assumed to have been born after April 2017, and are not disabled. The modelling assumed that there would be no childcare costs, even when both parents are in work. This is partly because the number of variables influencing childcare costs would complicate the analysis, partly because childcare costs for school-age children would be minimal, and partly because UC recipients in work should have the bulk of their childcare costs covered by the benefits system. In practice, many claimants affected by the cuts would in fact have to contribute to the cost of childcare – exacerbating income losses, or undermining income gains, that arise from taking up employment in place of receiving benefits.

All claimants eligible for PIP under the current system are assumed to self-identify as disabled. They are all assumed to have been assessed as LCWRA. It is assumed that they would be assessed as fit to work under the post-reform system, since failing to meet the new 4 point rule in PIP means they would not be eligible for the UC health element.

In accordance with the Turn2us benefits calculator, potential receipt of Council Tax Support (CTS) is included in the modelling, but the value of other passported benefits for PIP and/or UC recipients is not.

All claimants are assumed to receive Child Benefit (CB) where they are eligible, and assumed not to receive any contributory benefits. We assume they do not have an income from a pension or spousal maintenance, own any property they do not live in, or have savings above £5,000.

All claimants are assumed to be British citizens. We assume they are not carers, foster parents, students, in prison, blind, or in hospital or care home with a long-time illness, and that they do not need carers who stay overnight in their property.

For full calculations see Work won't cut it: income from employment and benefits for disabled people.

Citizens Advice helps people find a way forward.

We provide free, confidential and independent advice to help people overcome their problems. We are a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

citizensadvice.org.uk

Published May 2025.

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.