Changes to UK Welfare Benefits still occurring after Government U-Turn on PIP

• No change to PIP until after review and consultation with disability groups in late 2026. (The proposed change was to make receipt of the daily living component of PIP dependent on claimants getting 4 points in at least one descriptor, as well as the existing criteria of 8 points overall. This may still happen but no change to PIP until at least November 2026).

The following changes are still planned to take place, but do not assume this cannot change – check if unsure. Do not rely 100% on the following at this stage:

- The amount of the 'limited capability for work-related activity' (LCWRA) element of Universal Credit (UC), referred to in the news as the 'health element' currently £97 per week (actually paid monthly at £423.27 per month) was to be frozen for existing claimants. This has been scrapped. It will now continue to rise with inflation for existing claimants. **However, from April 2026:** new UC claimants will not get it <u>unless</u> they are aged 22 or over and it will be <u>reduced</u> to £50 per week (around £215 per month).
- The standard rate of Universal Credit will rise for the first time above the rate of inflation from April 2026.
- The work capability assessment (WCA) based on the UC50 or ESA 50 form to be scrapped in 2028. Instead, the PIP criteria will be used to assess the LCWRA (health element) of Universal Credit (the element being reduced for new claimants from April 2026 – see second point above). No further details yet of exactly how this will work.
- News Style Employment and Support Allowance (New Style ESA) and New Style Jobseekers Allowance (New Style JSA) will be replaced with a new Unemployment Insurance Benefit. It will be National Insurance contribution-based, as it is now, but will pay the same as the 'support group' of New Style ESA pays already: £140.55 per week for over 25; £121.40 for under 25. This is a big increase on the standard rates of £92.05 (over 25) / £72.90 (under 25) basic rates for both these benefits currently.

Currently JSA is paid for <u>6 months only</u>; ESA is paid for <u>12 months</u> or <u>indefinitely if claimant in the support group</u>. No further details of how long the new **Unemployment Insurance Benefit** will be paid for. Presumably the new benefits start April 2026.

Martin Yarde; July 2025