Department for Work & Pensions

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To All MPs

Dear Colleagues,

Welfare Reform

Universal Credit and Personal Independence Payment Bill

The Government has committed to making two changes to strengthen the Universal Credit and Personal Independence Payment Bill: implementing the new eligibility requirements for PIP from November 2026 for new claims only, and adjusting Universal Credit rates to make sure all existing recipients of the Universal Credit health element – and any new claimant meeting the severe conditions criteria and those who qualify under Special Rules for End of Life – have the combined rate of their Universal Credit standard allowance and Universal Credit health element protected in real terms.

Today, we are sharing explainers that set out in more detail what the amendments will do in practice, to demonstrate our commitment to strengthening the Bill. You will also find attached a draft of the amendment which the Government will table ahead of Committee Stage to enact the proposed change to PIP. We will formally table these amendments to both UC and PIP following the Bill's Second Reading.

We have also published the revised poverty impacts, 'Spring statement social security changes – Updated impact on poverty levels in Great Britain' based on the two changes we are making to strengthen the Bill. No-one who is already receiving an award of Universal Credit or PIP will be pushed in to poverty as a result of the direct impact on their current circumstances of the measures in this Bill.

We continue our wider drive to tackle the scar of poverty – including by extending free school meals, expanding the Warm Home Discount to an extra 2.7 million households next winter, and supporting 700,000 of the poorest families through our Fair Repayment Rate on Universal Credit deductions.

We committed in the Green Paper to introduce the "right to try", and I am pleased to announce that we have deposited in the House Library draft regulations that would establish in law the principle that work, in and of itself, will not lead to a reassessment. This will apply to all Universal Credit, New Style Employment and Support Allowance and PIP customers. This is just the first step. As set out in the Pathways to Work Green Paper, we will also work with disabled people and stakeholders to explore ways to further strengthen this Right to Try Guarantee.

Through measures within the Universal Credit and Personal Independence Payment Bill, we are giving people who are already on PIP the certainty they need, while increasingly targeting funding at those who need it most, to make sure the system is sustainable to support generations to come.

Pathways to Work Employment Support funding

In addition to bringing forward amendments to the Bill we will also commit to spending an additional £300m in the next three years on work, health and skills support for disabled people and those with health conditions.

At the Spring Statement in March, we announced Pathways to Work funding of:

- £200m funding for 26/27
- £300m for 27/28
- £400m for 28/29
- £1bn in 29/30

This investment in Pathways to Work support towards employment will now increase to:

- £200m in 2026/27
- £400m in 2027/28 (up from £300m)
- £600m in 2028/29 (up from £400m) □ £1bn in 29/30

This is on top of funding and support we are now mobilising through Connect to Work, WorkWell, local inactivity Trailblazers and 1000 new Pathways to Work advisers to support disabled people. This already amounts to the biggest employment support package for disabled people and people with health conditions in more than a generation. The extra money we are announcing today means that we will be able to go further and faster on our new planned investment in work, health and skills support offers, building on and learning from successes such as the Connect to Work programme, which is being rolled out over 2025 to provide disabled people and people with health conditions with one-to-one support at the point when they feel ready to work.

Personal Independence Payment (PIP) Assessment Review: Terms of Reference

Alongside taking action to get welfare spending on a sustainable footing, so that help can be there for people who need it now and into the future, we are committed to a holistic programme of reform to make sure that PIP is fair and fit for the future. The PIP assessment review, which I am leading, is a significant part of this work.

This government is committed to ensuring that Personal Independence Payment (PIP) is a non-means tested cash benefit which is there for people now and for the long-term.

In the Green Paper, we set out our intention to review the PIP assessment to address the shifting trends in long-term health conditions and disability, changes in wider society and the workplace, and make the PIP assessment fit for the future. We committed to bring together a range of experts, stakeholders and people with lived experience to consider how best to do this and to start the process of preparing for the review. The Secretary of State announced to the House on Monday 21 May that this process had started and, since then, I have been listening to a wide range of views, including holding roundtables with disability charities. Today, the Secretary of State has announced the Terms of Reference for the PIP assessment review via a Written Ministerial Statement, titled ‘Welfare Reform’.

I am grateful for the invaluable insight that I have gained from my engagement so far, and I am committed to co-producing the review with disabled people, organisations that support them, other experts and Members of Parliament as we move forward.

The review will examine the PIP assessment criteria – including activities, descriptors and associated points – to consider whether these effectively capture the impact of long-term health conditions and disability in the modern world.

Because of our commitment to coproduce, the precise timeline for the review will be determined over the summer, based on the design work with stakeholders to ensure the review can fulfil its aims. I expect it to conclude by Autumn 2026.

Thank you in advance to colleagues for continuing to engage with us on our reforms to social security. I will deposit a copy of this letter in the Libraries of both Houses for reference.

Yours sincerely,

Stephen Timms

Rt Hon. Sir Stephen Timms MP

Minister for Social Security and Disability

Annex A: Amendment to apply the 4-point PIP minimum to new claims only

Original policy

In the Pathways to Work Green Paper, the Government announced its intention to introduce a new, additional requirement that a claimant must score a minimum of 4 points in at least one daily living activity to be eligible for the daily living component of Personal Independence Payment (PIP).

The requirement will focus PIP on people who have a higher level of need in at least one area, ensuring the system is sustainable for the future.

What has changed?

As part of our measures to strengthen the UC and PIP Bill, we will bring forward an amendment for Commons Committee so that the 4-point minimum only applies to new claims. This means that no existing claimants will be subject to the 4-point requirement, including if they undergo an award review, whether planned or due to a change in circumstances. Those making a new claim after the measure comes into force (not before November 2026) will be subject to the 4-point requirement.

Who will be impacted?

This change protects all claimants in receipt of PIP at the point our changes come into force (not before November 2026).

How will the change be delivered in the UC and PIP Bill?

The Government will table an amendment to clause 5 of the Bill, to be debated at Committee, which will mean the PIP 4-point eligibility criteria for daily living does not apply to existing claimants, so that the reforms apply to new claims made after changes come into force.

We will also table an amendment for Committee to Clause 5 to remove the provision for a 13-week payment run-on for claimants who would have lost out due to the 4-point requirement. As all existing claimants will no longer be subject to the requirement, there is no need for the 13-week run-on.

Full draft amendment text is annexed to this document.

Annex B: Amendment to protect the real terms income of existing Universal Credit Health Element recipients

Original policy

In the Pathways to Work Green Paper, the Government announced its intention to address perverse incentives and better encourage those who can work to enter or return to employment, by rebalancing support within UC.

In practice, this meant:

- New and existing claimants would receive an uplift above inflation in their UC standard allowance every year until 2029/30 – worth around £250 above inflation for a single household aged 25 or over in 2029/30.
- Existing Limited Capability for Work and Work-Related Activity (LCWRA) claimants and new claimants with 12 months or less to live or with a severe, lifelong condition who we don't ever expect to work, would receive the current LCWRA rate (£97 per week) frozen until 2029/30.
- All non-protected claimants newly determined to be LCWRA from 6 April 2026 would receive approximately half of the current LCWRA rate (£50 per week) and this will also be frozen until 2029/30.
- Limited Capability for Work (LCW) would be frozen at the current rate until 2029/30.

What has changed?

Our change protects UC in real terms for the next four years for both existing LCWRA recipients and any new claimants with 12 months or less to live or a severe, lifelong condition where we don't ever expect them to work.

We will still rebalance UC rates by introducing the first ever sustained, above inflation rise in the standard allowance and reducing the LCWRA rate for all non-protected new LCWRA claims.

In practice this means:

- All new and existing claimants receive an uplift above inflation in their UC standard allowance every year until 2029/30 – worth around £250 above inflation for a single household aged 25 or over in 2029/30.
- Existing LCWRA recipients and new claimants with 12 months or less to live or a severe, lifelong condition where we don't ever expect them to work will see their standard allowance combined with their LCWRA rise at least in line with inflation every year from 2026/27 to 2029/30 through a combination of increases to the standard allowance and LCWRA rate.
- Limited Capability for Work (LCW) claimants will see the combined rate of their UC standard allowance and LCW rise at least in line with inflation.

Our change protects existing LCWRA claimants, those with the most severe, lifelong conditions and those nearing the end of life, whilst removing the perverse incentives that discourage people from trying work.

Who will be impacted?

The change will protect the real-terms income of all existing LCWRA claimants, and all existing and new claimants who have 12 months or less to live or have a severe, lifelong condition who we don't ever expect to work.

How will the change be delivered in the UC and PIP Bill?

The Government will table a series of amendments to the Bill to be debated at Commons Committee, which together will protect in real terms the income of existing LCWRA claimants, and those with a severe, lifelong condition who we don’t expect ever to work and/or claimants nearing the end of life.

This will require significant changes to the UC & PIP Bill with updated drafting needed in clauses 2, 3 and 4. This drafting is being completed now to ensure it fully delivers on these protections. The Government will bring these amendments forward in good time to ensure Members have time to fully scrutinise the changes before Commons Committee Stage.

Annex C: Universal Credit and Personal Independence Payment Bill — Draft Amendments

Secretary Liz Kendall

Clause 5, page 5, line 26, at end insert—

"(4A) The power to make regulations under subsection (3) must be exercised so as to secure that the amendments made by subsection (1) do not apply to a determination of whether a person has limited ability, or severely limited ability, to carry out daily living activities if—

(a) the person was entitled to personal independence payment immediately before the coming into force of those amendments, and

(b) the person continued to be entitled to personal independence payment until the making of that determination."

Member's explanatory statement

This Amendment will secure that the new 4-point requirement for personal independence payment eligibility will not apply to existing claimants.

Secretary Liz Kendall

Clause 5, page 4, line 38, leave out from beginning to end of line 16 on page 5

Member's explanatory statement

The provision omitted by this amendment provided for a temporary continuation of personal independence payment where an existing claimant was found to be ineligible under the new rules. As amendment [OPC33] will secure that the new rules do not apply to existing claimants, the provision omitted is redundant.

Secretary Liz Kendall

Schedule 2, page 16, line 18, at end insert—

"(5) The power to make an order under sub-paragraph (3) must be exercised so as to secure that the amendments made by sub-paragraph (1) do not apply to a determination of whether a person has limited ability, or severely limited ability, to carry out daily living activities if—

(a) the person was entitled to personal independence payment immediately before the coming into force of those amendments, and

(b) the person continued to be entitled to personal independence payment until the making of that determination."

Member's explanatory statement

This Amendment will secure that the new 4-point requirement for personal independence payment eligibility will not apply to existing claimants.

Secretary Liz Kendall

Schedule 2, page 15, line 23, leave out from beginning to end of line 5 on page 16

Member's explanatory statement

The provision omitted by this amendment provided for a temporary continuation of personal independence payment where an existing claimant was found to be ineligible under the new rules. As amendment [OPC49] will secure that the new rules do not apply to existing claimants, the provision omitted is redundant.