

# **Benefits Green Paper Explained**

#### Introduction

The government department responsible for benefits has issued a green paper about the entire health and disability benefit system. Green Papers are consultative papers on the options the Government has determined are available to it in a certain policy area, sometimes including suggestions for legislation.

In this green paper, the government department responsible for PIP, the Department of Work and Pensions (DWP), is proposing wholesale changes to how Disabled people are supported by the benefits system. **All in all, there are 22 changes proposed, but 12 of them are not subject to consultation at all.** 

There are many serious changes that the government intends to push through, in what is called "primary legislation", in May 2025. This document will be split into two sections:

- What the government is saying it will do
- What you can do to share your views

## **Summary**

The Government's Green Paper on social security intends to remove at least five billion pounds from the pockets of some of the poorest and most disadvantaged Disabled people in the UK. The depth of the proposed cuts far outweighs positive changes to employment support.

## Section 1 - Changes voted on in June 2025

As mentioned earlier, the green paper contains many proposals which are set to be voted on by MPs in May 2025. These changes have different timelines, and we will make that clear in each section.

<u>Please remember that nothing is set in stone, we can and will fight these changes and nothing will happen to your entitlement till at least 2026.</u>

## 1. Scrapping the WCA and creating a new single assessment for PIP and UC Health.

The government is proposing to scrap the "work capability assessment". The 'work capability assessment' (WCA) is very important for universal credit. It finds out what work-related conditions you must meet to keep getting the benefit in full. If you are found to have a 'limited capability for work' in the assessment, your work-related conditions will be limited. If you are found to have a 'limited capability for work-related activity' in the assessment, none of the work-related conditions will apply to you, and you will also be entitled to the work capability amount.

They want a new system where your eligibility for any extra financial support for health conditions (including PIP, ESA or UC health) will be assessed via a new single assessment. This will be some form of assessment based on the PIP assessment, which considers your disability or health condition in daily living, not your capacity to work. However they also intend to make the PIP assessment harder to pass.

**IMPACT**: It is difficult to know the true impact of this change, as the organisation called the OBR, which the government asked to assess the financial impact of the green paper changes, didn't provide any figures for how these changes will affect people.

We are worried that this proposal completely removes the protection of no work conditionality, which the WCA can provide with instead a system geared to driving disabled claimants into seeking and applying for jobs.

This conditionality would be enforced by a benefit sanctions regime, and it would be left to individual jobcentre work coaches to decide what should be required of a claimant and the extent to which sanctions would be imposed.

## 2. Freezing the health element of UC until 2029/30

Universal credit is a benefit paid to people of working age who are on a low income. You can claim it if you are looking for work, if you are unable to work through sickness or disability, if you are a lone parent, if you are caring for someone or if you are working and your wages are low. There is additional support available via what is called Universal Credit "health" for individuals whose health conditions or impairments limit their ability to work.

From April 2026, Labour will hold the value of the universal credit health top-up fixed in cash terms for existing claimants, and reduce it for new claimants, with an additional premium for people with severe lifelong condition. New applicants after this change will only ever receive a maximum of £50 a week - £47 less than currently.

**IMPACT:** According to the OBR freezing UC health means "a £1,100 average reduction in overall annual UC awards for the 3.0 million individuals" by 2029. Research from the New Economics Foundation has estimated that the freeze and reduction together amount to a £1.5 billion cut to Universal Credit health spending by 2030.<sup>1</sup>

#### 3. PIP Daily Living assessment changes

Personal Independence Payment (PIP) replaced Disability Living Allowance (DLA). It is a benefit for people who need help participating in everyday life or who find it difficult to get around. PIP comes in two parts:

- a daily living component for help taking part in everyday life
- a mobility component for help with getting around.

<sup>&</sup>lt;sup>1</sup> https://neweconomics.org/2025/03/ill-and-disabled-people-could-lose-an-additional-1-5bn-through-universal-credit-changes

You score "points" on this assessment when you are not able to complete a task safely, to an acceptable standard, repeatedly and in a reasonable time. From November 2026, you will need to score at least 4 points from a single descriptor to qualify for the daily living component of PIP, as well as scoring a total of at least 8 points to get support from the Daily Living component.

**IMPACT:** The OBR estimates that the estimated number of people who will lose the PIP daily living component is 800,000. This amounts to a minimum of £4,200 per year<sup>2</sup>. Furthermore, some people who are eligible for other support because of their daily living component assessment, such as carers, will lose even more support. The Department for Work and Pensions says it expects 150,000 people will no longer qualify for Carer's Allowance or Universal Credit's own Carer Element top-up because of the welfare reforms.

## 4. Restarting WCA reassessments until the WCA is scrapped

The government announced they want to "restart" reassessments for incapacity benefits. Reassessments have largely been switched off since 2021. The OBR documents show that from 2026, when the DWP will 'restart' WCA reassessments, they will likely target people in the LCWRA group because of the 'substantial risk' criteria, alongside those whose conditions are short-term and likely to have changed, e.g. cancer and pregnancy. They have also expressed a desire to change the reassessment process by pushing to do more of them in person, "face-to-face". They will now be recorded as standard practice.

**IMPACT:** These changes will expose large numbers of people with significant mental distress to reassessment, where they may not have otherwise been subject to it. We know the pressure of face-to-face situations leads to worse outcomes from assessments, less accurate assessments and Disabled people losing out on the support we need.

## Part 2 - How to stop these changes

These changes will come in to effect no matter how you respond to the green paper consultation because MPs are instead voting on them.

Therefore, the most important thing you can do right now is take action, be that by writing to your MP, getting organised and joining a demonstration, or sharing this document with others who need to know about these changes!

We recommend you do this by:

- 1. Writing to your MP using this tool
- 2. <u>Find your MP</u> and attend a constituency surgery to make clear you don't support these changes.

<sup>&</sup>lt;sup>2</sup> https://www.resolutionfoundation.org/press-releases/green-paper-delivers-tiny-income-gains-for-up-to-four-million-households-at-cost-of-major-income-losses-for-those-who-are-too-ill-to-work-or-no-longer-qualify-for-disability-benefit-support/

- 3. Get involved in our movement by connecting with your local DPO, or DPAC & CAC groups.
  - a. You can find your local DPO using this tool.
  - b. You can find your local DPAC group on their website.
  - c. You can connect with CAC by following their Instagram account.