



## FORTHCOMING BENEFITS CHANGES

This is a short guide to the many changes planned to the benefits system over the next few years. It also covers other changes that have been proposed or are being reviewed. Here we explain each of these and when they are expected to happen.

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### CHANGES TO PERSONAL INDEPENDENCE PAYMENT SCRAPPED

The government previously announced they would be introducing changes to the qualifying criteria for Personal Independence Payment (PIP), which would have meant that claimants needed to score four points in a single descriptor in order to qualify for the daily living component.

This proposal has now been scrapped following pressure from MPs, disability groups and campaigners. No changes will be made to PIP until the completion of the Timms review – see page 7 for details.

### CARERS ALLOWANCE – REVIEW OF OVERPAYMENTS

The DWP have confirmed that they will be reviewing 200,000 Carer’s Allowance overpayment cases over the next two years. This is because incorrect guidance was issued to Department for Work and Pensions (DWP) staff assessing the earnings of Carers Allowance claimants. The DWP expect 26,000 people will have been affected by this incorrect guidance.

## Who will be impacted?

The only people impacted by this review are those who:

- **had fluctuating earnings which may have taken them above the earnings limit for Carers Allowance, and**
- **had a claim at some point since 2015.**

No other overpayments will be considered. It also won't affect anyone with a claim for the Scottish Carer Support Payment or who just received the carers element of Universal Credit.

## What happens if I have been wrongly overpaid?

The DWP have confirmed that some claimants will have overpayments cancelled where

- **DWP guidance wasn't applied correctly, and**
- **no overpayment would have occurred if it had been.**

If you have made repayments to the DWP that are found to be unnecessary, these will be refunded.

If you owe further money, you will not be asked to make additional payments.

## ONGOING CHANGES TO UNIVERSAL CREDIT

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### RECORDING ASSESSMENTS AS STANDARD

The DWP intends to start audio recording all health assessments in order to improve trust and transparency. There is no fixed date for this to be implemented, but many assessments are already audio recorded and this will be gradually increased.

### SUPPORT CONVERSATIONS – CURRENTLY BEING TESTED VOLUNTARILY

The government is introducing 'support conversations' for all claimants of Universal Credit who have a disability or health condition. This includes those who have established a 'limited capability for work-related activity' (LCWRA), although there will be exceptions for those with the most severe health conditions. Support conversations will *"focus on their goals and act as a gateway to a range of personalised support to help achieve them, for anyone who wants it"*.

The government is trialling this proposal but has indicated that it may become compulsory for all claimants. It is likely that claimants who have established LCWRA would be required to meet with their work coach intermittently to discuss employment and support.

**Please note:** Although the government has suggested there will be sanctions for claimants who do not engage with this process, it is not currently possible for claimants with LCWRA to receive a sanction.

## CHANGES IN APRIL 2026

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### INTRODUCTION OF THE 'SEVERE CONDITIONS' CRITERIA FOR UNIVERSAL CREDIT LCWRA CLAIMANTS

From 6 April 2026 the limited capability for work-related activity (LCWRA) element of Universal Credit will be renamed the health element. It will be paid at two rates instead of a single rate as now.

Existing claimants who qualify for the health element will automatically get this at the higher rate of £429.80 per calendar month without having to meet severe conditions criteria. You are protected as an existing claimant if:

- **You are already on Universal Credit with a health (LCWRA) element** included before 6 April 2026
- **You claimed Universal Credit before 6 April 2026 and had asked for your capacity to work to be assessed** (for example, submitted fit notes) before that same date. It doesn't matter that you were still awaiting a decision or for your health element to start, or
- **You move from receiving a payment of Employment Support Allowance (ESA) to Universal Credit at some point on or after 6 April** but were entitled to the ESA support component before 6 April and continued to receive it until it was replaced by the Universal Credit health element instead.

You won't be protected as an existing claimant if you don't claim Universal Credit until some date after 5 April 2026, or if you are someone who was already on Universal Credit but who hasn't asked for their capacity for work to be assessed until after that date. Instead, you will be seen as a new claimant of the health element.

As a new claimant who qualifies for the health element you will only get the higher rate of £429.80 pcm if you either:

- **meet additional severe conditions criteria, or**
- **are terminally ill.**

All other new claimants who qualify for a health element will only receive it at the lower rate of £217.26 per calendar month.

## What are the Severe Conditions criteria?

To meet the Severe Conditions criteria your condition must be such that you not only meet one of the LCWRA descriptors but also meet ALL of the three following tests:

- **You must have a condition that has been diagnosed by an appropriately qualified healthcare professional. The government has confirmed that a diagnosis that is confirmed in your NHS records is sufficient to fulfil this criteria.**
- **Your condition will last for the rest of your life.**
- **Your level of function must mean you would “constantly” meet one of the LCWRA descriptors “on all occasions on which the claimant undertakes or attempts to undertake an activity”. This is likely to mean that you cannot have even temporary periods where there is a recovery of function to the extent you don’t meet that LCWRA criteria.**

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 Further information about [the new criteria](#) is on our website.

## ABOLITION OF THE TWO-CHILD LIMIT

The two-child limit means that it is not currently possible to receive the main child element of Universal Credit for a third or subsequent child born after April 2017, with [some exceptions](#).

The two-child limit does not apply to any other benefits such as Child Benefit.

It is possible to receive the disabled child element of Universal Credit for a third or subsequent child who receives an appropriate disability benefit, even where the main child element is not paid.

Following increasing pressure on the government from charities and campaigners, the two-child limit will be removed from April 2026. This means that parents can claim the main child element of Universal Credit for each of their children, whenever they were born.

## You have transitional protection

If you:

- **went through the managed-migration process to move from legacy benefits onto Universal Credit, and**
- **receive the transitional protection element**

you may not see an increase in your benefits straight away when you start to receive additional child elements for three or more children for the first time.

This is because any increase in other elements of Universal Credit reduces the amount of transitional protection you receive. However, families should gain in the longer term. While transitional protection erodes over time, the additional child elements will remain in place and will increase with inflation.

## Does this mean the benefit cap has been removed?

Unfortunately the benefit cap is not being removed. The benefit cap limits the total amount of benefit that a household can receive. It covers a wide range of benefits and includes Child Benefit.

There are exemptions to the benefit cap including:

- **where someone in the household is in receipt of a disability benefit (either a child or a parent), and**
- **where someone in the household is working and earning above £846 per month.**

If you are not exempt from the benefit cap you may not gain financially from the scrapping of the two-child limit, if the extra child payments means that your income is above the benefit cap.

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 Read [more about the benefit cap](#) on our website.

## APRIL 2026 BENEFIT UPDATING

The Universal Credit standard allowance will increase above the rate of inflation in April 2026 and will continue to do so until April 2029.

As stated previously the LCWRA or health element of Universal Credit will be paid at two rates from April 2026.

- **The higher rate** of the element (£429.80 from April 2026) will increase in conjunction with the standard allowance to a minimum level set by inflation and the consumer prices index (CPI).
- **The lower rate** will be frozen at a fixed amount of £217.26 pcm until April 2029.

Other benefits will be increased by 3.8 per cent in line with the September 2025 CPI rate, except for the Local Housing Allowance. This will be frozen at the levels set in 2024/25, meaning less help available for rent through Universal Credit.

## INCREASE IN THE MINIMUM WAGE & CARER'S ALLOWANCE EARNINGS LIMIT

From 6 April 2026 the national minimum wage will increase to:

- **£12.71** per hour for adults over the age of 21
- **£10.85** per hour for young people aged 18-20, and
- **£8.00** per hour for 16-17 year olds and apprentices.

The earnings limit for Carer's Allowance will increase to £204 per week, allowing carers to work for 16 hours per week at the national minimum wage before their claim for Carer's Allowance is affected.

## SCOTTISH CARER PAYMENT

From March 2026 carers in Scotland may be eligible to receive Carer Support, a new benefit combining three components:

- **Carer Support Payment (CSP)** – the Scottish equivalent of Carer's Allowance (£86.45 per week from April 2026). In addition carers will be able to claim CSP for 12 weeks following the death of the person they care for, an extension from the current 8 week period.
- **Scottish Carer Supplement** – this replaces the Carer's Allowance Supplement with a regular payment of £11.29 per week for carers in Scotland who already receive the Carer Support Payment.
- **Carer Additional Person Payment** – this is an additional payment of £10 per week, available to those in receipt of Carer Support Payment who care for more than one person. Carers may be eligible for more than one Carer Additional Person Payment if they are caring for more than one additional person.

 Read more about the [changes to the Scottish Carer Payment](#) on our website.

## NEW CRISIS & RESILIENCE FUND

From April 2026 a new Crisis and Resilience Fund will replace the current funding for Discretionary Housing Payments (DHPs) and the Household Support Fund. Funding will be provided to each local authority to allocate across four areas in whichever way they feel meets the needs of their local area.

- **Crisis payments** – cash support to anyone (in receipt of benefits or not) who has experienced a sudden or unexpected financial shock or to prevent a crisis.
- **Housing payments** – financial support towards housing costs in a similar way to the current DHP system. This will continue to be available to

claimants in receipt of either Housing Benefit or Universal Credit.

- **Resilience services** – funding for projects and schemes in the local area that will build financial resilience for individuals and local communities.
- **Community coordination** – investment in local support services so that they are better connected and better able to support local communities.

## ABOLITION OF INCOME-BASED EMPLOYMENT & SUPPORT ALLOWANCE (IB-ESA)

The managed-migration process to move claimants from legacy benefits to the Universal Credit system will be completed by April 2026.

Claimants of tax credits, Income Support and income-based Jobseeker's Allowance (JSA) have all been moved to Universal Credit

By the end of March 2026 all claimants of income-based Employment and Support Allowance (ib-ESA) will have been migrated as well.

It is still possible to make new claims for new-style (contribution-based) ESA and contribution-based JSA and for Housing Benefit for claimants in some temporary and supported accommodation.

## CHANGES DURING 2026-2027

### ADDITIONAL HELP WITH CHILDCARE COSTS THROUGH UNIVERSAL CREDIT

If you have more than two children in childcare the maximum amount of childcare costs you can claim back under Universal Credit will be increased.

The current maximum amount for one child is £1,031.88. For two or more children it is £1,768.94pcm.

During 2026/27 this will be increased by £736.06 per calendar month for each third or subsequent child that requires childcare. So for example:

- **families with three children in childcare will be able to claim up to £2,505 in costs, and**
- **families with four children can claim up to £3,241.06.**

This allows parents of larger families to claim additional help with childcare costs where this is needed to allow parents to work.

This change was due to be introduced in April 2026, but will now be later in the year.

## CHANGES TO MOTABILITY SCHEME – JULY 2026

From July 2026, vehicles leased through the Motability or equivalent schemes will be subject to VAT on any top-up ‘advance payment’ being made for a more expensive vehicle. Insurance Premium Tax will also be applied to vehicles leased through the scheme.

Leasing a Motability vehicle will become more expensive for many disabled people, particularly where upfront costs are needed to access the scheme.

Vehicles designed for, or substantially and permanently adapted for, wheelchair or stretcher users will be exempt from these changes.

Some ‘premium’ car brands have already been removed from the Motability scheme.

## EXTENDING ELIGIBILITY FOR FREE SCHOOL MEALS (ENGLAND ONLY) – SEPTEMBER 2026

From the start of the new school term in September 2026, all families in receipt of Universal Credit will be eligible for free school meals for their children. This will be available in all settings where free school meals are provided, including schools, school-based nurseries and further education settings.



Visit our website if you think your child should [receive free school meals or is missing out](#)

## HOUSING BENEFIT EARNINGS RULES - AUTUMN 2026

From Autumn 2026 the earnings rules for Housing Benefit and Universal Credit claimants in either supported or temporary accommodation will be amended.

Tenants in these types of tenancy will have more of their earnings disregarded for benefit purposes, allowing claimants to earn more before they see a reduction in their entitlement to help with their housing costs.

## EXTRA FUNDING FOR THE YOUTH GUARANTEE PROGRAMME

The government has committed an extra £1 billion over three years for its youth guarantee programme. This will fund additional employment and skills support for young people as well as the guarantee of a six-month paid work placement for every eligible 18-24-year-old who has been on Universal Credit and looking for work for 18 months.

## INTRODUCTION OF THE RIGHT TO TRY WORK

The government has introduced legislation allowing claimants of:

- **Personal Independence Payment (PIP)**
- **new-style ESA (if you have sufficient national insurance contributions), and**
- **Universal Credit with LCW or LCWRA**

to return to work without fear of an automatic reassessment of their health.

At present the DWP can make an assumption that a claimant is returning to work because their health has improved and they are no longer eligible for disability benefits. Removing this automatic assumption means that disabled people will be allowed to try working without the worry of losing entitlement to all their benefits. This will allow payments of PIP, new-style ESA and Universal Credit to continue where appropriate.

### If your return to work is not successful

Whilst earnings do not affect entitlement to PIP, Universal Credit claimants who are working may have income that is too high for them to receive a payment. In this situation, if their return to work is not successful, the claimant can return to their previous rate of Universal Credit – including the LCW or LCWRA element, if they re-open their award of UC within six months.

### Working & claiming Employment & Support Allowance

For ESA claimants it is already possible to do some permitted work and continue to receive the benefit. If your claim for ESA ends because you have returned to work but then need to re-claim ESA within 12 weeks of your old award ending, you will be paid at the same rate as before.

### LIGHT-TOUCH REVIEWS FOR PIP CLAIMANTS

Some PIP claimants are currently subject to a ‘light touch’ review process. This means that the DWP:

- **is aware they have a longterm condition that is unlikely to improve, and**
- **their award of PIP is only reviewed intermittently, with typically more than 10 years between reviews.**

When an award is reviewed, claimants are asked to provide less detailed information about their condition, usually just enough to confirm that there has been no improvement in their health.

The DWP is looking at how it can improve the information it provides to these claimants. This will include an increase in the information, advice and support claimants receive between each light touch review and a review of the period between re-assessments. This change is due to be introduced during 2026.

### **INCREASE IN FACE-TO-FACE HEALTH ASSESSMENTS**

The government is proposing to return to face-to-face assessments for claimants of:

- **PIP**
- **Universal Credit, or**
- **new-style ESA**

who undergo a disability or Work Capability assessment, rather than telephone or video calls.

These alternative methods of assessment will be limited to those who are unable to attend a face-to-face appointment.

The government aims to increase both the current 6% of PIP face-to-face assessments and 13% of WCA face-to-face assessments to 30% by 2030/31.

## **RE-ASSESSMENTS OF PIP & WORK CAPABILITY**

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### **UNIVERSAL CREDIT**

There is a proposal to increase the number of Universal Credit claimants who have established LCWRA who are subsequently reassessed. There is no time frame for this. However, the Work Capability Assessment is due to be replaced by the PIP assessment in 2028/29, so it is expected that this increase will be seen over the next two years.

### **PERSONAL INDEPENDENCE PAYMENT (PIP)**

Reviews for new PIP claimants aged 25 and over will be extended to a minimum of three years for the majority of claimants. This will rise to five years at their next review if they remain entitled. This is to remove the need for unnecessary reassessments.

## **CHANGES FROM APRIL 2027**

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### **REMOVAL OF THE HEALTH ELEMENT OF UNIVERSAL CREDIT FOR UNDER-22'S (STILL UNDER CONSIDERATION)**

The government is proposing to remove the LCWRA, or health element, entirely for all young people under the age of 22. No decision has been made yet and there is no information about which groups, if any, would be protected.

It may be that existing claimants, or those with the most severe, lifelong conditions would continue to receive some payments, but this has not been confirmed. If this change is implemented then it is likely to take effect from 2027 onwards.

This move would drive thousands of disabled young people into poverty and Contact is strongly opposed to this change. If you would like to support us in opposing this cut there is further action you can take. Emailing your MP will help to raise awareness and to make sure your MP knows what the impact of these cuts will be.

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 You can [email your MP today](#) and tell them to oppose this proposal. Read more in [Contact's briefing](#)

### **REFORMS TO EVIDENCE FOR PIP CLAIMS**

The government is looking at ways claimants can send appropriate medical evidence for claims for PIP. This includes medical professionals in the NHS sharing information directly with the DWP through digital channels and ensuring that claimants are able to provide evidence that describes their needs and supports their claim. This is due to be implemented after April 2027.

# CHANGES FROM APRIL 2028

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## SCRAPPING OF THE WORK CAPABILITY ASSESSMENT

Currently most adult claimants of disability benefits will need to undergo two health assessments – one to establish their entitlement to PIP and one to establish their capability for work for Universal Credit or ESA:

- **the PIP assessment looks at the care that a person needs and their ability to walk out of doors**
- **the Work Capability Assessment looks at a person's ability to carry out specific work-related tasks.**

The government is proposing to abolish the Work Capability Assessment and use the PIP assessment to determine both a claimant's care and mobility needs and their capability for work.

There are likely to be some changes to the assessment process as a result of this move. This change is not due to take effect until after April 2028 so there is little detail at present around what this process will look like.

## NEW UNEMPLOYMENT INSURANCE TO REPLACE JOBSEEKER'S ALLOWANCE & EMPLOYMENT & SUPPORT ALLOWANCE

Currently, if someone is searching for work they can make a claim for contribution-based Jobseeker's Allowance (JSA). This is payable for six months so long as they have made sufficient national insurance contributions.

If they are unable to work due to ill health they can make a claim for a benefit called contribution-based Employment and Support Allowance (ESA). This is payable for 12 months for claimants in the work-related activity group or indefinitely for claimants in the support group.

The government proposes to abolish both of these contributory benefits and replace them with a single contributory benefit called Unemployment Insurance from April 2028.

This will be paid at a single rate, equivalent to the current highest payment of ESA. It will only be payable for a limited amount of time (either 6 or 12 months; to be confirmed). Claimants will not need to undergo a work capability assessment to determine their fitness to work, as ESA claimants currently do. Unemployment Support will be available to self-employed claimants for the first time.

There is no information yet as to how claimants of the credits-only version of ESA will be impacted by this change.

Claimants of the new Unemployment Insurance will be expected to actively search for work and meet with their work coach to discuss this. There will be some exceptions for those with the most severe disabilities and health conditions.

## CURRENT ONGOING REVIEWS

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### RAISING MINIMUM AGE FOR PIP CLAIMS FROM 16 TO 18 YEARS OF AGE

Although the government has decided not to proceed with any other changes to PIP, they have consulted separately on whether the minimum age for making a claim for PIP should be increased from 16 to 18. No decision has been made whether to implement this but there is likely to be an announcement in early 2026.

Contact welcomes the option of children remaining on Disability Living Allowance (DLA) until the age of 18 but believes parents should have a choice over when to move from DLA to PIP between the ages of 16 and 18.

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 The deadline to respond to this consultation ended on 30 June 2025 but you can [read more about Contact's views on this proposal](#).

### THE TIMMS REVIEW INTO PIP

Although the previously proposed changes to PIP will not happen, a full review into PIP is being carried out by Sir Stephen Timms. This will report back in Autumn 2026. The review will be comprehensive and may mean quite significant changes. It will consider:

- **The role of the PIP assessment** including the assessment criteria for both the daily living and mobility components.
- **Whether any other evidence should be considered** alongside the functional assessment.
- **How the PIP assessment could provide fair access to the right support** across the benefits system, including unlocking wider support to better achieve higher living standards and greater independence.

It will be underpinned by several key principles, including that:

- **PIP will provide non-means-tested support** because anyone can be impacted by a long-term condition or disability.

- **It will take account of other reforms announced**, in particular how access to the health element of Universal Credit will operate via the PIP assessment when the work capability assessment is removed.
- **It will take account of related work across the wider health and social care system.**
- **It will ensure the assessment is fair and fit for the future**, rather than generate proposals for further savings.

 It isn't possible to respond to the review but you can [read more about it's progress](#) on our website.

## THE MILBURN REVIEW INTO YOUTH UNEMPLOYMENT & INACTIVITY

Alan Milburn is carrying out a review into the causes of record unemployment and inactivity among 16-to-24-year-olds. He is aiming to understand why increasing numbers of young people in this group are likely to be out of work and education.

The review will include an investigation into the way health conditions impact young people in this group, particularly mental health and neurodivergence.

The review is focused on two questions:

- ***What is stopping more young people from participating in employment, education or training?***
- ***What would make the biggest difference to support more young people to participate?***

 Contributions to the review closed on 30 January 2026. [Find out more about the review](#) on the gov.uk website.

## ACCESS TO WORK

Reforms have been announced to the Access to Work scheme but there is no clear date for this to be implemented.

The National Audit office is carrying out an investigation into the scheme and this is due to report back later in 2026. The review will consider the purpose of, and challenges in, the operation of the Access to Work scheme, as well as what the DWP is doing in response to those challenges.

The Public Accounts Committee will then take those findings further and consider how changes can be implemented.

 You can [read more about the consultation and respond to it](#) on UK Parliament.

## HOW CONTACT CAN HELP

Contact our free helpline if you would like more information about how these changes may affect you:

**0808 808 3555** [helpline@contact.org.uk](mailto:helpline@contact.org.uk)

We have a range of free guides for parents, including:

- [Claiming Disability Living Allowance for children](#)
- [Claiming Child Disability Payment - Scotland](#)
- [Claiming Universal Credit for a young disabled person](#)

All our guides are free to parents who contact our helpline, or to download from [contact.org.uk](http://contact.org.uk)



FREEPHONE HELPLINE

**0808 808 3555**

[helpline@contact.org.uk](mailto:helpline@contact.org.uk)

[www.contact.org.uk](http://www.contact.org.uk)



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