

Briefing on Pathways to Work Green Paper and Universal Credit Bill: Impact on unpaid carers

Introduction

Carers UK has produced this briefing following the passage of the [Universal Credit Bill](#) ('The Bill') in Parliament on 22 July 2025.

The final Bill has been significantly amended since it was first introduced to Parliament (as the Universal Credit and Personal Independence Bill).

In this briefing we set out what the Bill stated originally, the amendments that were made to the Bill as it progressed through Parliament, as well as the provisions in the final Bill. We also set out the UK Government's wider proposals in the Pathways to Work Green Paper, which are not included in this Bill.

The briefing includes the following sections:

- Overview of the Bill as introduced to Parliament
- Summary of amendments made to the Bill during its passage
- Overview of the Bill following its passage through Parliament (both Commons and Lords)
- Summary of other changes outlined in the UK Government's '[Pathways to Work: Reforming Benefits and Support to Get Britain Working](#)' Green Paper, that are not included in the UC Bill.

This policy briefing provides analysis of how these proposals will impact unpaid carers in England and Wales, as well as Scotland.

Overview of the Bill as introduced

- The Bill originally had a different title when it was laid in Parliament on Wednesday 18 June, i.e. the Universal Credit and Personal Independence Payment Bill. As the Bill was heavily amended, the title has now also been amended to the Universal Credit Bill.
- The original Bill included proposed changes to the eligibility criteria for Personal Independence Payment (PIP). Under the Bill's original proposals, those claiming the daily living component of PIP would have had to score a minimum of 4 points in at least one daily living activity to be eligible for the benefit.
- These proposals would have resulted in 150,000 people losing their entitlement to carers' benefits by 2029/30, as PIP is a gateway benefit for claiming carers' benefits.

These changes would have reduced UK Government spending on financial support for carers by £500m by 2029/30.¹ **This has now changed.**

Summary of amendments made to the Bill

On Thursday 26 June and Tuesday 1 July, the UK Government made significant amendments to the original Bill in the House of Commons.² These amendments have the following effects:

Personal Independence Payment

- **As the Bill was debated at Committee Stage in the Commons, Clause 5 of the UC and PIP Bill was removed.** This means that the Bill now contains no changes to the eligibility requirements for current or future recipients of PIP. As a result, there will be no changes to PIP – or resulting changes to carers' benefits – as had been originally proposed. This is also why the title has now changed to the Universal Credit Bill, as it does not have any references to PIP.
- Carers UK was very concerned that the Bill, as originally proposed, would have had a widespread severe and lasting financial impact on unpaid carers and disabled people, many of whom are already facing financial hardship.
- Removing the clause relating to PIP means that **150,000 carers will retain their carers' benefits.** The UK Government's original impact assessment indicated that the proposed changes to PIP would result in 150,000 carers losing their entitlement to this support by 2030, through new claims or reassessments.
- It also means that a further 95,000 disabled carers, in receipt of both Carer's Allowance and PIP in their own right, will not lose their PIP entitlement.
- **The amendment to the Bill means that any future changes to PIP will not be introduced before Autumn 2026, and only after the UK Government's full, co-produced review of PIP has been completed.**
- Carers UK welcomed the UK Government's commitment, made during the Second Reading debate on Tuesday 1 July, to co-produce the review with disabled people and the organisations that represent them.³
- In response to Carers UK calling for carers to be engaged, the Government has now confirmed that carers' organisations will be involved in the PIP review process.⁴
- Carers UK will be closely engaging with the PIP review process, ensuring carers' voices are heard and reflected. We will continue to advocate for a fair and supportive welfare system that recognises the challenges that unpaid carers face every day.

¹ [Spring Statement 2025 health and disability benefits reforms – Impacts](#)

² <https://bills.parliament.uk/bills/3988/publications>

³ <https://hansard.parliament.uk/commons/2025-07-01/debates/56F2EF7B-404B-44D4-865E-EA09FCD92EA4/UniversalCreditAndPersonalIndependencePaymentBill>

⁴ [Universal Credit Bill - Hansard - UK Parliament](#)

- The PIP review will be very important for unpaid carers and disabled people in Wales, because of the higher proportion of the working age population receiving PIP in Wales (11% compared with 7% in England).⁵

Universal Credit

- Carers UK welcomed the amendment to the Bill that ensures existing recipients of the Limited Capacity for Work and Work-Related Activity (LCWRA) element of Universal Credit will see their entitlement rise in line with inflation. Previous proposals would have frozen the health element for current claimants at £97 a week.

Additional employment support

- The UK Government committed to bringing forward an additional £300 million of employment support, in addition to the £1 billion set out in the Pathways to Work Green Paper.
- This is not in the Bill, but is an additional concession from UK Government.

Overview of key remaining elements of the final Bill

Universal Credit standard allowance for tax years 2026-27 to 2029-30

- **Increase to the Universal Credit standard allowance** – Carers UK welcomes the increase to UC standard allowance incrementally from April 2026, so that by April 2029 it will have risen by 4.8% above inflation.
- This still falls short of the levels the [Guarantee our Essentials](#) campaign, which Carers UK supports, but is nevertheless important.

Universal Credit LCWRA element for tax year 2026-2027 - also referred to as UC health element

- **Reduction in the rate of LCWRA element of Universal Credit for new claimants** – Clause 2 of the final Bill will reduce the rate of the LCWRA element of UC from 6 April 2026 for claimants newly determined to be eligible for LCWRA (subject to limited exceptions).
- This will create two rates for the LCWRA element, a higher pre-April 2026 rate which existing LCWRA recipients will continue to receive (and will be accessible to a small number of new recipients) and a reduced rate for new LCWRA recipients.
- Carers UK is concerned about the significant impact these changes will have on unpaid carers and their families, including:
- **New claimants for the LCWRA element will receive less financial support relative to existing claimants.** This would affect the household income of carers

⁵ [Spring Statement 2025 – the implications for Wales - Thinking Wales - Meddwl Cymru - Cardiff University](#)

and their families who apply for the benefit for the first time after April 2026, where the carer is living with the person they care for. As set out in the Pathways to Work Green paper, those on the new lower rate will be £47 a week (£2,444 a year) worse off than those on the current rate.

Freeze of LCWRA and LCW elements for tax years 2026-27 to 2029-30

- Clause 3 of the final Bill removes the Secretary of State's annual duty to review LCWRA and LCW elements of UC for tax years 2026-27 to 2029-30.
- This freezes the amount paid through the Limited Capability for Work (LCW) element and freezes the amount paid through LCWRA for new determinations from 6 April 2026.
- Freezing the LCWRA element of UC until 202/30 for new claimants will have a severe impact on unpaid carers and their families. Because of inflation, this freeze will result in a cut in financial support to families year on year. Carers whose families could have been affected by this are calling these measures 'devastating'.

Protected LCWRA element for tax years 2026-27 to 2029-30

- **The UK Government has said that some people with a terminal illness or a severe, lifelong condition will be protected from this change to the rate of LCWRA for new claimants.**
- The DWP estimates that this will affect around 80,000 people by 2029/30 – 10% of new awards of the LCWRA element.⁶
- The criteria set out in [Schedule 1](#) of the Bill ensures protection for a small group of people, and specifies the requirements a person must meet to qualify for this entitlement, referred to as the **severe conditions criteria**:
 - The claimant has limited capacity for work and work-related activity (6)(2)(a)
 - At least one of the relevant descriptors (criteria) constantly applies to the claimant and will do so for the rest of the claimant's life (6)(2)(b)
 - The claimant has been diagnosed by an appropriately qualified health care professional in the course of the provision of health and social care services 6(3)(a)(i) and 6(3)(a)(ii)
- Carers UK is concerned that this is a tightening of the criteria used in the current assessment system, which specifies that a person should be eligible for LCWRA if they struggle with an activity *on the majority of occasions*. The severe conditions criteria would exclude people with fluctuating conditions, even if they are severe and lifelong.
- The National Carers Organisations (NCOs) in Scotland have raised concerns about the lack of clarity on whether Adult Disability Payment (ADP) in its current form will remain as a passport benefit to the UC health element.

⁶ [Universal Credit Rebalancing impact assessment](#)

- Carers UK is part of the Disability Benefits Consortium, and we support their work and that of civil society organisations such as Trussell and Joseph Rowntree Foundation on the Bill and the Green Paper.

Carers UK's view on other changes outlined in the Pathways to Work Green Paper

Alongside the proposals set out in the Universal Credit Bill, the UK Government has also set out a number of other key objectives for reforming the benefits system and encouraging more people **to enter employment. These proposals were set out in the UK Government's '[Pathways to Work: Reforming Benefits and Support to Get Britain Working](#)' Green Paper on Tuesday 18 March 2025.**

In the following section we provide our assessment of these proposals. We are continuing to assess the impact of these proposals on unpaid carers.

1. Scrapping Work Capability Assessment (WCA) and replacement with PIP assessment

- Currently, many people in England and Wales must go through both the WCA and PIP assessment processes to get full access to the benefits they are entitled to. This is complex, time consuming and duplicative.
- From 2028/29, this will be based on a single PIP assessment in England and Wales. Without the WCA eligibility criteria, the additional health element in Universal Credit (UC) will no longer be linked to someone's capacity to work or their work status. Instead, eligibility to the additional UC health element will be based on whether someone is receiving PIP.
- This means health-related financial support in UC would be focused on those with long-term conditions and disabilities that have lasted for 3 months and are expected to last for at least a further 9 months.
- The UK Government's consultation recognises that there will be gaps left by the removal of WCA. Some individuals who currently qualify for limited capability for work and work-related activity (LCWRA) would not be eligible for PIP because of the shorter-term nature of their illness. For example, those affected by cancer treatment, people with short-term conditions that get better, women with a high-risk pregnancy and those currently classed as having substantial risk.
- In the proposed reformed system these groups will still be eligible for UC and for the proposed new higher rate Unemployment Insurance, if they meet relevant eligibility criteria. Those nearing their end of life will be able to access PIP fast track route.
- A full review of the PIP assessment process is due to take place, separately from the Green Paper consultation, together with stakeholders' input.

Carers UK view:

- *Some disability organisations have welcomed a single assessment which prevents duplication. But there is also concern about those who might no longer qualify. It also*

creates a cliff edge, where PIP eligibility is a gateway to significantly higher incomes through the health element of Universal Credit and for Personal Independence Payment. A person would be entitled to both or neither. Those who 'pass' the PIP assessment will typically receive combined UC and PIP payments under the reforms of between £11,200 and £19,500 (without payments related to housing or children). Those who 'fail', will get only the basic UC payment of £4,900 per year (including rises already announced). This means that the result of people's assessment will be the difference between them receiving an income that falls far below what they need as a person with disabilities/health conditions to live on and better levels of income.

- *We are pleased that the review of PIP will be done in consultation with key stakeholders. It is essential that the review considers carers, and that changes that are proposed are considered in terms of their impact on carers, both in terms of the descriptors and the fact that PIP is an essential gateway benefit to Carer's Allowance.*

2. Young people and delaying UC health element

- Consultation also includes proposals to delay access to the health element of UC until someone is aged 22, on the basis of switching resources into an expanded Youth Guarantee, and on raising the age at which people can claim Personal Independence Payment (PIP). This change is expected to come into effect from 2027/28
- The UK Government has said that the money saved would fund more opportunities to young people through the guarantee, so they can sign up to work or training rather than long-term benefits.
- However, the UK Government has said it will consider what special provisions need to be put in place for those young people where engagement with the Youth Guarantee is not a realistic prospect. In September 2024, there were 66,000 people aged 18 to 21 in the LCWRA group.
- Proposals also include raising the age at which people can claim PIP to 18. However, no date for implementation is provided.

Carers UK view: *We are concerned that new claimants for the UC health element aged 22 and under will receive less financial support from 2027. This would affect the household income of carers and their families who apply for the benefit for the first time after April 2027, where the carer is living with the person they care for.*

3. Work allowances in Universal Credit

- Both the work allowance and single taper rate will remain unchanged to continue to incentivise those trying work.
- The UK Government will establish in law the principle that work will not lead to a PIP award review or a WCA reassessment for people receiving UC, PIP (in England and Wales), or New Style Employment and Support Allowance (NS ESA).

Carers UK view: Carers UK welcomes the fact that trying work would not lead to a review. Given the barriers that many disabled people have to try to work, and worries about impacts on income, this is welcome.

Carers UK has already recommended that carers who are in receipt of Universal Credit Carer Element could benefit from having access to a work allowance in UC. Some carers currently are not eligible for this and, where they may be able to combine their caring role with some paid work, they lose their entitlement to UC very quickly.

4. Introducing a new Unemployment Insurance by reforming contributory benefits

- A new Unemployment Insurance is expected to be introduced in 2028/29 by reforming contributory benefits.
- Contributory element of the New Style Employment and Support Allowance (NS ESA) and New Style Jobseeker's Allowance (NS JSA) will not change – claimants will need 2 to 3 years' worth of National Insurance credits prior to claiming.
- Under the reformed system, there will be a consultation on replacing NS ESA and NS JSA with one new Unemployment Insurance benefit. The rate of financial support would be set at the current higher rate of NS ESA. The benefit would not require a health assessment and would be based on an individual's National Insurance record as is currently the case. Individuals, such as those with long term health conditions, would also be able to claim other relevant benefits where eligible, but health would not be assessed/affect the levels of JSA/ESA.
- The proposals also include improving the income protection available to people who lose their job, while time-limiting that entitlement (for example for 6 to 12 months) as the UK Government says they want to create a strong incentive to get back into the labour market.

Carers UK view:

Carers UK is considering the impacts of this on unpaid carers. Carers UK supports the Disability Benefits Consortium's position that the Unemployment Insurance should not be time-limited, as those in the support group for ESA do not have time-limited awards.

Carers UK is also concerned that more unpaid carers will miss out on vital NI contributions which would allow them to claim this. Carers UK is recommending that UK Government should consider changing the Carer Element Class 3 contributions to Class 1 contributions to ensure that they are able to benefit from contributory benefits.

5. Greater employment support offer

- Building on the Get Britain Working White Paper, £1 billion per year additional investment by the end of the decade would support new “pathways to work”. The guarantee of an employment support offer will include:
 - Introducing a new support conversation to explore people’s goals and aspirations, and help them to access the right support for them
 - Specialist one-to-one support alongside access to more intensive employment and skills support where appropriate
 - Periodic engagement - an expectation that most people in receipt of the health element of Universal Credit (UC) will need, as a minimum, to periodically participate in conversations to discuss their goals and needs and to hear about the services that would be available to support them
 - Getting more young people earning or learning, by reforming the system of benefits and support to underpin the UK Government’s Youth Guarantee
 - The Government also wants to create a coherent “Pathways to Work” offer – building on and extending existing provision, and employment support through the Connect to Work programme, WorkWell and local Get Britain Working ‘trailblazers.’
- In the reformed system, most people in receipt of the health element in UC will be expected to, as a minimum, engage in conversations from time to time about their aspirations to work and to hear about the support available to them. The proposals do not suggest that this group will be required to undertake specific work-related activity or to look for work or take jobs.
- The UK Government has committed to bringing forward an additional £300 million of employment support, in addition to the £1 billion set out in the Green Paper.⁷

Carers UK view:

Carers UK has welcomed the new Pathways to Work support if they are person-centred and tailored to need. These systems need to be sensitive to any kind of caring responsibility in relation to other disabled, ill or older relatives or friends i.e. those who don’t have entitlement to Carer’s Allowance or Carer Element, as this makes engaging with work harder.

They also need to support and engage organisations locally well.

6. Access to Work scheme changes

- Access to Work is a demand-led, discretionary grant scheme that supports people who have a disability or health condition to move into or sustain, paid employment. The grant is intended to support workplace adjustments that go beyond what would normally be expected from an employer through their duty to provide reasonable adjustments under the Equality Act 2010.

⁷ <https://hansard.parliament.uk/commons/2025-07-01/debates/56F2EF7B-404B-44D4-865E-EA09FCD92EA4/UniversalCreditAndPersonalIndependencePaymentBill>

- The grant is awarded for 3-year periods and provides personalised support and workplace assessments, travel to work, support workers, and specialist aids and equipment. The Scheme also includes the Mental Health Support Service (MHSS) which provides up to 9 months of non-clinical support for people who need help with their wellbeing while in employment.
- When preparing to decide on the future of Access to Work, the UK Government will consider:
 - the existing legal duties on reasonable adjustments in the Equality Act 2010
 - the support the UK Government currently provides to both employers and individuals
 - advice and guidance available to both workers and employers
 - the enforcement powers that currently exist

Carers UK view:

Disability organisations⁸ have expressed some concerns about the current delays and waiting times for assessments.

About Carers UK

Carers UK is a charity set up to help the millions of people who care for family or friends. We are a membership organisation of carers, run by carers, for carers. We provide information and advice about caring alongside practical and emotional support for carers. We also campaign to make life better for carers and work to influence policy makers, employers, and service providers, to help them improve carers' lives.

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⁸ <https://www.epilepsy.org.uk/news/delays-in-access-to-work-scheme-leaves-thousands-of-disabled-people-with-no-financial-support-for-employment>
<https://www.disabilityrightsuk.org/news/access-work-wait-times-leading-lost-jobs>
<https://www.rnib.org.uk/campaign-with-us/support-a-campaign/access-to-work-delays/>