

Briefing on Government's welfare reforms: Impact on unpaid carers

Summary

Carers UK has produced this briefing following the publication of the Government's [Green Paper](#) on welfare reforms¹ and its recent [Spring Statement](#). It provides an overview of the changes the Government is proposing to make to the benefits system, and our analysis of the impact that these changes will have on unpaid carers and the people they care for.

We are very concerned that some of the reforms Government has set out will have a very significant and negative impact on unpaid carers, disabled people and their families. Our analysis shows that families which lose eligibility to PIP and Carer's Allowance will stand to lose over £8,000 a year.

The Government's [Impact Assessment](#) found that the proposed changes will mean that, by 2029/30:

- **150,000 carers will lose their entitlement to Carer's Allowance** (or the Carer Element in Universal Credit)
- **Government spending on carers' benefits will be reduced by £500 million.**

These impacts represent the first substantial cuts to the number of Carer's Allowance recipients in decades. At a time when social care is in short supply and families are having to provide more care than ever before, carers' need their incomes protected rather than removed.

There are elements within the Green Paper that Carers UK welcomes, including the £1 billion investment in support for those returning to work. This could be used to support unpaid carers' return to work where they wish to do so.

The Green Paper also states, *"The government will consider the impacts on benefits for unpaid carers as part of its wider consideration of responses to the consultation as it develops its detailed proposals for change."* Given the significant impacts on unpaid carers, Carers UK believes that Government needs to bring forward robust proposals that protect carers' incomes, improve carers' health and wellbeing and make work pay.

Carers UK also believes that prevention is better than cure – if carers can be supported to stay in employment for as long as possible, this is good for employer productivity, good for business and the economy. Including paid Carer's Leave in the Employment Rights Bill be an important tool in providing support for unpaid carers with the lowest incomes and women in particular; those most at risk of leaving work to care. Support to help unpaid carers stay in work should also be part of Sir Charlie Mayfield's review into ill-health at work.

¹ [Pathways to Work: Reforming Benefits and Support to Get Britain Working](#)

Our verdict on the welfare reform proposals

We agree that the current benefit system is not fit for purpose and long overdue for reform. We also recognise that there are some positive measures for carers and disabled people within the Green Paper, such as the Government's intention to place a greater focus on prevention, early intervention and personalised employment support, which are much needed and welcome.

However, we are very concerned that tightening eligibility to essential disability benefits, including Personal Independence Payments (PIP), will have a severe financial impact on unpaid carers and disabled people who are already struggling financially, pushing more people into poverty. 1.2 million unpaid carers in the UK are already living in poverty, with 400,000 in deep poverty². Raising the qualifying threshold for support could mean even more carers will struggle to afford essentials like food and heating.

We are particularly concerned about the following:

- 1. The changes to PIP lower rate of Daily Living Component eligibility from November 2026, where people will need to score 4 points in any single assessment category, will mean that 150,000 unpaid carers will lose access to their carers' benefits by 2029/30 according to [DWP's impact assessment](#). This is because over half of Carer's Allowance (CA) awards are tied to PIP as it is a gateway benefit for claiming Carer's Allowance.³**
- 2. As 150,000 disabled unpaid carers currently receive both Carer's Allowance and PIP,⁴ many could lose access to both benefits – a double negative impact that means people in this situation will see a dramatic drop in their incomes*. 28% of carers are disabled (compared with 18% of non-carers)⁵ and many rely on these vital benefits for the extra costs of disability and caring to make ends meet.**

CASE STUDY EXAMPLE:

Claire cares for her husband, David, who has MS and whose disabilities became greater when they were both in their 50s. Claire worked part-time bringing up their children and now was hoping to add to her pension contributions before retirement by taking on more hours at work. Instead, working was too difficult to fit around David's needs as they didn't get enough social care, so she had to give up work to care. He's a wheelchair user and he doesn't score a 4 in any single category. David also gets mobility component which is not affected. They do not receive any other means tested benefits. David's loss of PIP is £73.90 per week (2025/6 rates), Claire's loss of her own benefit, Carer's Allowance, at £83.30 per week (2025/6 rates) means that she has lost her own income and recognition as a carer. She has also lost Class 1 contributions towards her state pension and other contributory benefits. She continues to provide over 35 hours of care per week for David. She can apply for Carer Credit to protect her state pension, but there's very low awareness of this provision and she's unlikely to find out about it. Even if she does, this only gives her Class 3 contributions meaning she would potentially not be entitled to the new Unemployment Insurance. **Their combined loss of income is £8,174.40 a year, solely from the loss of PIP and Carer's Allowance.**

² https://www.carersuk.org/media/dnxerxqv/poverty_financial_hardship_uk_web.pdf

³ [Written questions and answers - Written questions, answers and statements - UK Parliament](#)

⁴ [Written questions and answers - Written questions, answers and statements - UK Parliament](#)

⁵ Census 2021. <https://www.carersuk.org/policy-and-research/key-facts-and-figures/>

Claire is typical of many unpaid carers:

- 73% of Carer's Allowance recipients are women.
- 600 carers a day give up work to care, due to a lack of support.
- The peak age of caring is between 45 and 54.
- Carers UK research for Carers Week 2024 found that two thirds of unpaid carers said they had no choice about providing care because sufficient care alternatives were not available.

The Joseph Rowntree Foundation has also [modelled an example](#) of the financial impact on a household losing PIP, Carer's Allowance and UC. They estimate that a family's income of two adults would be over £1,000 a month lower than it would be under the current system as a result of losing all three benefits, a reduction of 55%, equating to over £12,000 per year.

- 3. New claimants for the Universal Credit (UC) health element will receive less financial support relative to existing claimants.** This would affect the household income of carers 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.
- 4. The reduction of the UC health element to £50 a week for new claimants, and the health element being frozen until 2029/30, will also have a very severe impact on families.** The health element for existing claimants will also be frozen until 2029/30 at £97 per week. Because of inflation, this will be a cut in financial support year on year. Carers whose families will be affected by this are calling these measures 'devastating'.
- 5. There is a risk that scrapping the Work Capability Assessment for Universal Credit and replacing this with a single PIP assessment 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.** This is because a person would be entitled to both or neither. Those who 'pass' the single 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 single PIP 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.

What we welcome about the proposed reforms:

- Positively, the Green Paper does set out that people who will never be able to work due to having the most severe and life-long health conditions will no longer need to be reassessed for PIP. This should help to protect family incomes for those who have the most serious health conditions, which we welcome. However, we need more detail about how this will work in practice.
- The Green Paper also states, "*The government will consider the impacts on benefits for unpaid carers as part of its wider consideration of responses to the consultation as it develops its detailed proposals for change.*" Carers UK will be engaging and responding to the consultation, following engagement with our members and unpaid carers.

- We welcome the £1 billion additional employment support. This also needs to ensure that unpaid carers, who often also have health issues, are also supported through this route.
- We welcome the recognition in [a document](#) published alongside the Green Paper, the Government recognised that around 550,000 carers are out of work due to working age ill-health, with an associated cost to the economy of £37 billion a year. Carers UK has consistently called for more support to enable carers to juggle work and care.

Our detailed view on the specific proposals:

1. Focusing PIP more on those with higher needs and reducing access for those with lower needs

- Government has confirmed that PIP will remain a non-means tested benefit for disabled people and people with health conditions – regardless of whether they are in or out of work.
- While the whole PIP assessment process will be reviewed together with stakeholders before being re-launched in 2028, some changes will be introduced much earlier.
- From November 2026, people who have lower needs in the daily living activities must score at least 4 points in at least one activity to receive the daily living component of PIP. This means that anyone scoring less will no longer be eligible for the daily living element of PIP. This element is not being consulted on, which is a real concern that we don't know the impact yet and are waiting for the Equality Impact Assessment. This change will affect carers in several ways (see below).
- This change will be introduced through primary legislation. It will apply to new claims and for existing people who claim, with future eligibility to be decided at their next award review.
- People with a higher level of functional need in at least one activity – for example, people who are unable to complete activities at all, or who require more help from others to complete them – will still receive PIP.
- This change means that around 150,000 carers are estimated to lose access to their carer benefits as a result of the person they are caring for no longer qualifying for PIP.
- From 2026/27, there will also be a reduction in reassessments for those with severe conditions and disabilities.
- The consultation will look at options for transitional protection for those who are no longer eligible for PIP as well as how to support those with lower needs in a multiple number of PIP activities.
- Anyone in receipt of PIP now who would lose entitlement when they are reassessed under the new eligibility criteria, would have their health and eligible care needs met in another way. Government is consulting on this, including whether health needs could be met via Personal Health Budgets. However, these changes are not due to be introduced until 2027/28, meaning that there could be a gap for this group in the support they receive.
- Whilst the WCA is still in place, reassessments will restart, although no firm date has been provided in the consultation document for this. During the COVID-19

pandemic, scheduled reassessments were turned off and the number of reassessments has fallen from 611,000 in 2019 to 118,000 in 2023. The number of Face-to-Face assessments in PIP and WCA will increase. Assessments will also be recorded so that they can be referenced back to increase trust in the process.

- Government also proposes to reduce the initial assessment requirement in PIP for certain groups with very severe conditions. For example, many young people, who have been living with very severe conditions since childhood move onto PIP having already received awards for Disability Living Allowance for children (DLAc).
- Medical evidence plays an important role in the PIP assessment. People are asked to voluntarily provide evidence about how their health condition or disability affects their daily life. Government will explore how the process of transferring supporting medical evidence from the NHS to the department could be digitalised, where people have already consented to the NHS sharing of data.
- Impact on devolved nations:
 - All these measures affect carers across England and Wales.
 - In Scotland, consideration will be needed as to how entitlement to the new UC health element will be determined, given that UC is reserved and PIP is devolved (and has been replaced by Adult Disability Payment (ADP)). This is a gateway benefit for carers receiving the Carer Support Payment.
 - If there is a cut in the budget for PIP, a proportionate figure will be cut from the amount the Treasury gives to the Scottish government. Scottish ministers would have the choice of applying a similar scale of cuts, or of finding funds from other spending, or tax, to fill that gap.
 - Most of the measures will not apply directly to Northern Ireland.

Carers UK view: We are very concerned that the proposed changes to PIP could mean that people will lose entitlement to the daily living component of PIP and potentially other entitlements linked to this award. This will begin from November 2026. ***This means that 150,000 carers who currently are entitled to Carer's Allowance or Carer Element in Universal Credit will lose that entitlement, as their PIP award is the 'gateway' benefit for accessing carers' benefits.***

We also know that around 150,000 unpaid carers also have PIP themselves because of their own disabilities. This is a worry that they might lose their own entitlement to PIP if they do not score at least 4 in one category. Some carers may lose both their carer benefit and their PIP. We do not know how many carers this will affect.

Carers have been getting in touch with Carers UK, deeply concerned about how changes might affect them.

2. Changes to Universal Credit standard allowance and Universal Credit health element

- Currently, the means-tested support available through UC for the LCWRA/health element is £416.19 per month, which is in addition to, and is more than the £393.45 per month for the standard allowance for a single person over aged 25.
- The Government wants to address this imbalance, by legislating to reset payment rates in UC over this Parliament, starting from April 2026. This will include:

- Increasing the UC standard allowance for new and existing claims. The current rate for single claimants over 25 is £91pw and will increase to £92pw in 25/26 then jump to £98pw in 26/27 then £100 in 27/28, £103 in 28/29 and £106 in 29/30.⁶
- For people who already receive the UC health element the rate of the UC health element will be frozen at £97pw until 2029/2030. They would also get the higher standard allowance, partially offsetting this reduction.
- For new claims, the rate of the UC health element will be reduced by £47pw (from £97pw in 2024/2025 to £50pw in 2026/2027). The rate of health element for new claimants will also be frozen until 2029/30.
- For those receiving the new reduced UC health element after April 2026, those with the most severe, life-long health conditions, who have no prospect of improvement and will never be able to work, will see their incomes protected through an additional premium. The government will guarantee for both new and existing claims in this group that they will not need to be reassessed in future.

Carers UK view: *We welcome the proposed £14 a week rise (£5 above inflation) to the UC standard element by 2029/30 that people will receive. However, we are concerned that new claimants for the UC health element will receive significantly less financial support relative to existing claimants. The reduction of the health element by £47 a week for new claimants would affect the household income of carers 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.*

We are also concerned that by keeping rates of the health element frozen for both new and existing claimants will represent a cut in incomes in real terms, because of inflation.

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 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 when trying to work, and worries about impacts on income, this is welcome.*

However, there are some unpaid carers in receipt of Universal Credit who cannot get a Work Allowance. There are around 55,000 unpaid carers in this situation, according to Government figures. We recommend that a new Carers Work Allowance is introduced to help make work pay for unpaid carers in receipt of Universal Credit.

4. Greater employment support offer

⁶ [Spring Statement 2025 health and disability benefit reforms - Equality Analysis](#)

- 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 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’.
- Most people in receipt of the health element in UC will be expected in the reformed system 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.

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. Guidance needs to be strengthened.

Carers UK also believes that there needs to be more funding for local carers’ support to be able to juggle work and care and support pathways to work where they wish to.

5. 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 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 reform of PIP will be done in consultation with key stakeholders. However, it is very likely that the changes proposed will leave gaps in support for some. We will need to assess the impact of the reforms once the process is underway, including the impact of changes on carers and their families.*

6. 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) 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. In principle, higher payments could be positive, but the time-limited nature could pose some challenges.

7. 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 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 government 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.*

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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