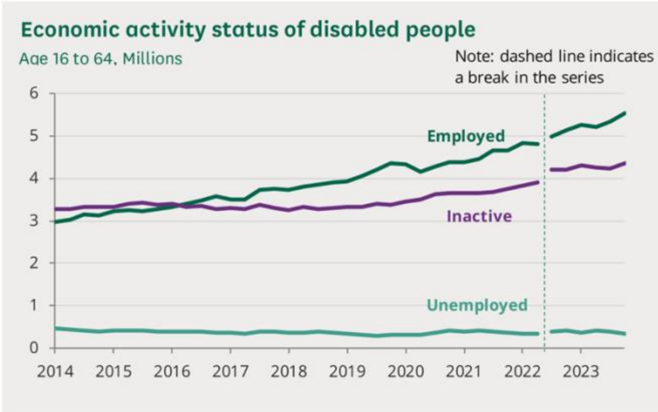
Disability Benefits Cuts 2025 – a Myth-Buster Info Pack

FALSE **“Disabled people don’t work”.**

TRUE **More disabled people work than don’t. Only 5.6% of disabled people are unemployed.**

KEY FACTS: Around 3 in 5 disabled people are employed. Disabled people are about 17 times more likely to be employed than unemployed. (Others may be “economically inactive” because they are retired, in education, or terminally or seriously ill.) Almost twice as many disabled people work now compared with a decade ago, and numbers are steadily rising.



Source: ONS, A08: Labour market status of disabled people

Source: https://researchbriefings.files.parliament.uk/documents/CBP-7540/CBP-7540.pdf#page8

FALSE **“Disabled people are a drain on the economy”.**

TRUE **Disabled people contribute 7 times more to the economy than disability benefits cost.**

KEY FACTS: Disability benefits cost the economy £39 billion each year, but disabled people contribute £274 billion through their activity and spending. Most of that comes from disabled people’s earnings, so the taxpayer isn’t funding it.

Around 16 million people in the UK are disabled, but only 6.9 million people receive any disability benefit. 3 in 5 disabled people do not get any disability benefits, because they choose not to claim, or do not know they can, or are not considered “disabled enough” by the DWP. Most disabled people are employed.

Disability benefits cost only 2% of GDP, although overall 1 in 4 people are disabled. By comparison, 1 in 9 people are retired but pensions cost 5% of GDP, and 1 in 23 people are unemployed but unemployment benefits cost 10% of GDP. In other words, disabled people’s “slice of the economic pie” is small, and much less than their contribution.

Sources: https://obr.uk/forecasts-in-depth/tax-by-tax-spend-by-spend/welfare-spending-disability-benefits/ || https://obr.uk/docs/dlm_uploads/An-OBR-guide-to-welfare-spending-Bud-17.pdf || https://business.scope.org.uk/disabled-customers-purple-pound/

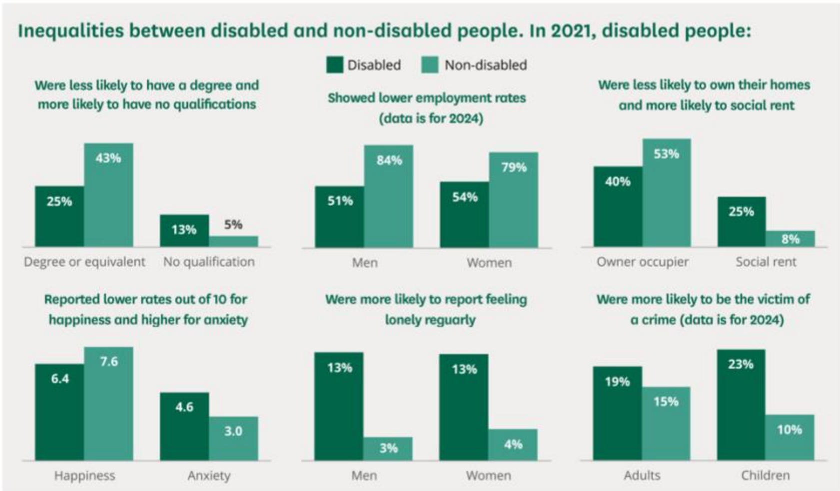
FALSE **"Disabled people on benefits have such an easy life".**

TRUE **Disabled people claiming benefits are much poorer, on average, than people who do not need benefits. Many are disadvantaged in lots of other ways, too.**

KEY FACTS: On average, disabled people's incomes are around a third lower than non-disabled people. This is because there are extra costs for disabled people, and often more barriers to well-paid work.

Disabled people, on average, have extra costs of over £1000 per month – 67% more than non-disabled people. These extra costs are hard or impossible to meet for people on benefits. Half of all people receiving the health-related element of Universal Credit (LCWRA) are unable to heat their home, behind on bills, or find it hard to afford food, compared to around 1 in 10 people who don't claim benefits.

Disabled people are worse off than non-disabled people in many other ways, too. For example, they are more likely to be unhappy or lonely, and less likely to have a degree or own their own homes.



https://commonslibrary.parliament.uk/research-briefings/cbp-9602/#

Sources: https://commonslibrary.parliament.uk/research-briefings/cbp-9602/# || https://www.jrf.org.uk/news/factsheet-health-related-benefit-cuts || Scope 2024 Disability Price Tag report.

FALSE **"Cutting PIP will encourage more disabled people to work".**

TRUE **Many working disabled people rely on PIP – it is not an out-of-work benefit. Cutting PIP will make it harder for many disabled people to work.**

KEY FACTS: Disabled people who qualify for Personal Independence Payment (PIP) get exactly the same amount whether they are in work or out of work, and whatever their salary. There is no "benefits trap" for disabled people who get PIP – work always pays.

PIP exists because governments have always recognised – until now – that disabled people have extra expenses, for lots of things such as special equipment, therapies, higher transport costs and higher energy bills. These extra costs add up to hundreds of pounds each month, or even more.

Cutting PIP won't help disabled people back into work. In fact, cuts will stop some claimants from finding or keeping work, because they will be short of money to meet their extra disability-related expenses.

Sources: https://commonslibrary.parliament.uk/research-briefings/cbp-9602/# || Scope 2024 Disability Price Tag report || https://lordslibrary.parliament.uk/cost-of-living-impact-of-rising-costs-on-disabled-people/

FALSE **“PIP is too easy to get” (<u>OR</u> “People on PIP are not *really* disabled, part 1”).**

TRUE **Government information shows that PIP is hard for disabled people to get, not easy.**

KEY FACTS: Most disabled people don’t actually get PIP. The PIP assessment is difficult and there are strict criteria. Half of all PIP applications are currently rejected. A large number of appeals are successful. There is almost no PIP fraud.

Since PIP was first introduced in 2013, 3.9 million people have been awarded it, but 3.7 million have been rejected. Overall, fewer than 1 in 4 disabled people receive PIP, and 3 in 4 disabled people do not receive PIP. Government figures show that PIP fraud rates are very low indeed – just 0.2%.

The assessment thresholds for PIP are high. The government does not award PIP based on “conditions”. Instead, it makes a detailed assessment of how it thinks people “function” – that is, how much help they need to move around and manage very basic day-to-day activities, like getting washed and dressed, or feeding themselves. Around half of those who claim do not score enough points on the PIP criteria. People who **<u>do not</u>** get PIP include those who have:

- Limited mobility, so that they are unable to walk 100 metres
- One eye blind or missing
- A permanent stoma
- Bipolar disorder, schizophrenia or another serious psychiatric condition
- Long-term chemotherapy
- Multiple sclerosis

We know that the PIP process is flawed and inefficient, because 1 in 5 claims are appealed, 1 in 3 are changed at first stage appeal (“mandatory reconsideration”), and 7 in 10 are upheld if they go all the way to the final stage (“tribunal”). The government reported that PIP “mandatory reconsideration” mistakes cost £25 million in 2020-21.

Sources: https://www.gov.uk/government/statistics/personal-independence-payment-statistics-to-july-2024/personal-independence-payment-official-statistics-to-july-2024 || https://www.gov.uk/government/publications/experiences-of-pip-applicants-who-received-zero-points-at-assessment/ || https://questions-statements.parliament.uk/written-questions/detail/2022-01-20/108447/

FALSE **“Children will be protected from the impacts of these cuts”.**

TRUE **Children living in low-income households with disabled adults are already more likely to live in poverty. After cuts, 1.24 million children will be affected.**

KEY FACTS: There are 900,000 children living in a household where someone receives LCWRA, the main health-related benefit for those receiving UC. 870,000 more children live in families who receive PIP, and 290,000 of these children are already in poverty. The government’s own equality impact assessment estimates that the planned changes will push another 50,000 children into poverty.

Sources: https://cpag.org.uk/news/cuts-disability-benefits-would-undermine-government-plans-tackle-child-poverty-warns-charity || https://assets.publishing.service.gov.uk/media/67e3fa664038ca2e94411fef/spring-statement-2025-health-and-disability-benefit-reforms-impacts.pdf || https://www.jrf.org.uk/news/factsheet-health-related-benefit-cuts

FALSE **“People get PIP for minor health conditions” (<u>OR</u> “People on PIP are not *really* disabled, part 2”).**

TRUE **People <u>only</u> get PIP if they are disabled <u>and</u> struggle to function in daily life (although they may have minor health conditions too!)**

KEY FACTS: The official information about “conditions” is confused and misleading. The government tries to judge and report on them, even though it does not actually (or not officially) assess them. A key term used is “main disabling condition”, but there are big problems with this, including:

- “Main disabling condition” is not defined in law or guidance
- Individuals themselves are never asked to identify their “main” condition
- Most disabled people have several different conditions together, but there is no attempt to record or evaluate this
- PIP assessors simply <u>guess</u> what they believe is a disabled person’s “main” condition
- Assessors pick from over 500 data categories/labels (none of which are defined or validated)

What’s more, the whole idea of assessing “conditions” is outdated. Government thinking about disability seems to have gone backwards: the 2020 Disability Strategy recognised that “disability is everyone’s business” and the “scale of the challenge in tackling the enduring barriers disabled people may face”. The current proposals appear to be trying to label and measure whether people are “disabled enough” for support, and are blaming disabled people for the barriers they face. This is not at all consistent with the mainstream Social Model of disability.

In short, media stories of people getting disability benefits for “minor conditions” are based on misunderstandings, and false or very unreliable information. In fact, leading doctors conclude that cutting disability benefits will threaten the health of disabled individuals.

Sources: https://assets.publishing.service.gov.uk/media/60fff9b8d3bf7f0452a7a939/National-Disability-Strategy_web-accesible-pdf.pdf || https://stat-xplore.dwp.gov.uk/webapi/metadata/PIP_Monthly/Disability.html || https://www.bmj.com/content/388/bmj.r593

FALSE **“People shouldn’t get disability benefits if they just have mental health problems like depression or ADHD”.**

TRUE **They don’t! Many people with serious mental health issues do not qualify.**

KEY FACTS: People <u>only</u> qualify for disability benefits if they cannot manage basic day-to-day tasks like getting washed and dressed, feeding themselves, and getting around. Other important activities like doing housework, laundry, childcare or going to work are not assessed at all, even if someone cannot do them. Some people with severe mental health issues may qualify, but many do not. Many others struggle to prove they have difficulties, even when they do. Only a few people have medical reports that they can use as evidence, because NHS mental health services are so limited. Also, it can be very stressful and difficult to claim disability benefits, and many people with mental health issues do not manage it. Those who do can be made more ill by the process.

Sources: https://www.gov.uk/government/publications/personal-independence-payment-assessment-guide-for-assessment-providers || https://www.gov.uk/government/publications/experiences-of-pip-applicants-who-received-zero-points-at-assessment/ || https://www.mind.org.uk/media/sjbptudq/reassessing-assessments-report.pdf

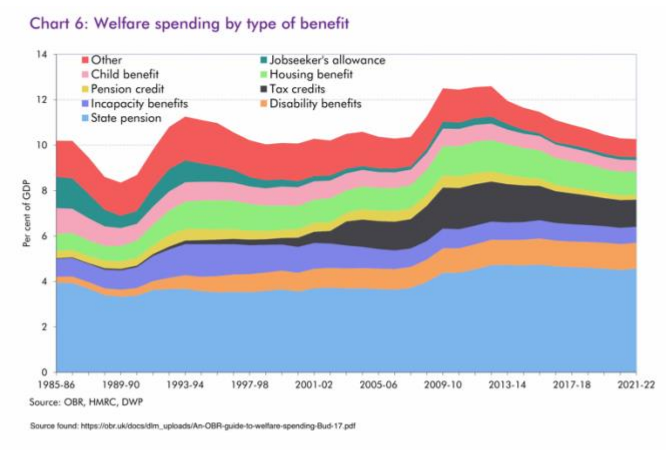
“PIP claims are rising because of the COVID-19 pandemic. We need to cut PIP to get back to normal”.

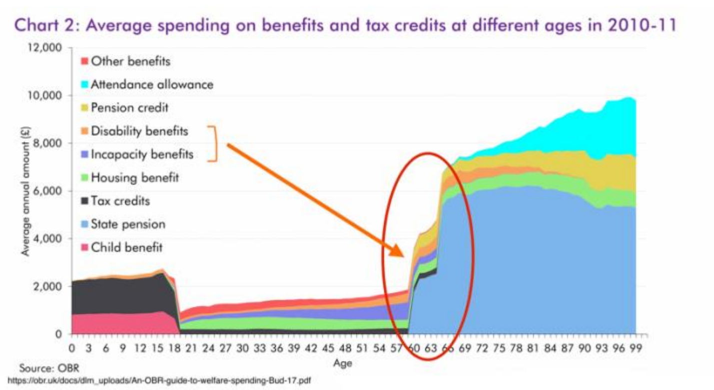
In fact, PIP claims have been rising since it was first introduced in 2013. No-one fully understands why, but the pandemic can’t be the only reason.

KEY FACTS: The pandemic may be one factor, but there are several other possibilities:

- More people have claimed PIP when other welfare benefits have been cut, particularly Disability Living Allowance (2013), restrictions for young people (2015) and the roll-out of Universal Credit (2018-21).
- Notably, PIP is used as a “gateway benefit” in work capability assessments for the Limited Capability for Work and Work-related Activity (LCWRA) element of Universal Credit, which appears to be driving more people to claim it – but this is an issue with UC, not PIP.
- The workforce has become much older since pension ages have risen, and as many more young people have entered education and training. 1 in 3 working people are now aged 50+. People in an ageing workforce are more likely to be disabled, chronically ill or injured.
- As long ago as 2010, we knew that disability and health-related welfare spending per individual increases three-fold between the ages of 60 and 67 – so raising the pension age has directly led to more PIP claimants.
- PIP is widely criticised and may have been badly-designed from the start.

It is unwise and unjust for the government to cut disability benefits like PIP, and make disabled people poorer, before they fully understand why claims are rising. If they do, it is quite likely that they will create more problems they don’t know how to fix.





Sources: https://www.gov.uk/government/statistics/dwp-benefits-statistics-august-2023/dwp-benefits-statistics-august-2023#health-disability-and-care || https://ifs.org.uk/publications/universal-credit-incomes-incentives-and-remaining-roll-out || https://ageing-better.org.uk/work-state-ageing-2020 || https://www.gov.uk/government/publications/universal-credit-if-you-have-a-disability-or-health-condition-quick-guide/universal-credit-if-you-have-a-disability-or-health-condition || https://obr.uk/docs/dlm_uploads/An-OBR-guide-to-welfare-spending-Bud-17.pdf .

"Disabled people all get a free car".

1 in 5 people who receive PIP are eligible to apply for a car from Motability, a private company owned by the Big Banks.

KEY FACTS: 815,000 people have a Motability car – around 1 in 5 of all the people who receive PIP. To qualify, a disabled person must be unable to stand and then move more than 20 meters, even with aids or assistance. People who can "safely, repeatedly and reliably" walk further than 20m do not qualify for a Motability car.

People who qualify are awarded £75.75 per week (currently). If they want a Motability car, this is paid directly to the private company, Motability Operations, or one of their local agents.

Disabled people who need a car, but who also need a wheelchair, mobility scooter or other mobility aids, can only have one of these under the Motability scheme. They must choose which to do without, buy outside the scheme, or pay separately from other income.

Motability Operations is wholly owned by four big "High Street" Banks. It made profits of £568.2 million in 2023 and £892.9 million in 2022. (The local agents' profits are separate and additional). They made "charitable donations" to their non-profit arm, of £250 million in 2023 and £200,000 in 2024. The non-profit arm runs the scheme – so reducing costs for the private company – and nevertheless currently holds £168 million in reserves. The company's current net assets are £3.6 billion.

A government report (back in 2017) concluded: "*It is difficult to square the high levels of executive pay and financial reserves at the company that runs the scheme with its charitable objectives and the wider context of pressures on welfare expenditure… The [Treasury and Work and Pensions] Committees are not convinced that Motability, Motability Operations, and the Motability Tenth Anniversary Trust are separate, independent entities in practice*".

So, the Motability scheme provides cars for disabled people, but the government and taxpayers pay very much more than the scheme costs. If the government recovered surplus assets from the Motability company, it could avoid making most of the welfare cuts it is planning!

Sources: https://www.motability.co.uk/how-it-works || https://find-and-update.company-information.service.gov.uk/company/01373876/filing-history || https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/847/84704.htm#