

Universal Credit Bill

[The Speaker of the House of Commons has certified this Bill as a Money Bill within the meaning of the Parliament Act 1911.]

EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by the Department for Work & Pensions, have been ordered to be published as HL Bill 123—EN.

EUROPEAN CONVENTION ON HUMAN RIGHTS

Baroness Sherlock has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Universal Credit Bill are compatible with the Convention rights.

Universal Credit Bill

[AS BROUGHT FROM THE COMMONS]

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[AS BROUGHT FROM THE COMMONS]

A

B I L L

TO

Make provision to alter the rates of the standard allowance, limited capability for work element and limited capability for work and work-related activity element of universal credit and the rates of income-related employment and support allowance.

BE IT ENACTED by the King’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Universal credit

1 Standard allowance for tax years 2026-27 to 2029-30

- (1) The Secretary of State must exercise a relevant power in order to secure that the amounts of the standard allowance for tax years 2026-27 to 2029-30 are at least the amounts calculated for each tax year in accordance with subsection (2). 5
- (2) The minimum amounts of the standard allowance for a tax year are calculated as follows—
 - Step 1*
Where the tax year is 2026-27, take the amounts of the standard allowance for tax year 2025-26. 10
Where the tax year is 2027-28, 2028-29 or 2029-30, take the amounts resulting from Step 2 for the previous tax year.
 - Step 2*
Increase the amounts identified in Step 1 by the relevant CPI percentage for the tax year. 15
 - Step 3*
Increase the amounts resulting from Step 2 by the relevant uplift percentage for the tax year.
- (3) The “relevant CPI percentage” for a tax year is the percentage by which the consumer prices index for the September before the start of the tax year is higher than it was for the September before that (or 0% if it is not higher). 20

- (4) The table below sets out the relevant uplift percentage for tax years 2026-27 to 2029-30 –

Tax year	Relevant uplift percentage
2026-27	2.3%
2027-28	3.1%
2028-29	4.0%
2029-30	4.8%

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- (5) Subsections (1) and (2)(c) of section 150 of the Social Security Administration Act 1992 (annual up-rating of benefits) do not apply, in the tax years ending with 5 April 2026, 5 April 2027, 5 April 2028 and 5 April 2029, to any amount of the standard allowance.

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- (6) In this section –

(a) “consumer prices index” means the all items consumer prices index published by the Statistics Board;

(b) a “relevant power” means –

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(i) the power in section 9(2) of the Welfare Reform Act 2012, or

(ii) the power in section 150(2)(b) of the Social Security Administration Act 1992;

(c) “the standard allowance” means the allowance to be included in an award of universal credit under section 9(1) of the Welfare Reform Act 2012;

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(d) the standard allowance “for” a tax year means the standard allowance applicable for any assessment period commencing on or after the first Monday of that tax year and before the first Monday of the following tax year, and for this purpose “assessment period” has the same meaning as in Part 1 of that Act.

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- (7) In this section and sections 3 to 5 –

(a) “tax year” means the 12 months beginning with 6 April in any year;

(b) “tax year 2025-26” means the tax year beginning on 6 April 2025 (and any corresponding expression in which two years are similarly mentioned is to be read in the same way).

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2 LCWRA element for tax year 2026-27

- (1) In the table in regulation 36 of the Universal Credit Regulations 2013 (amounts of elements) –

(a) before the row showing the amount for limited capability for work and work-related activity (“the existing row”) insert –

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“claimant with limited capability for work and work-related activity, other than a pre-2026 claimant,	£217.26”;
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a severe conditions criteria claimant or a claimant who is terminally ill

- (b) in the existing row, for “limited capability for work and work-related activity” substitute “pre-2026 claimant, severe conditions criteria claimant or claimant who is terminally ill”.

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- (2) Schedule 1 makes further amendments to the Universal Credit Regulations 2013 in connection with the amendments made by subsection (1).

- (3) This section and Schedule 1 come into force on 6 April 2026 and have effect in relation to assessment periods commencing on or after that date, and for this purpose “assessment period” has the same meaning as in Part 1 of the Welfare Reform Act 2012.

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

- (1) Subsections (1) and (2) of section 150 of the Social Security Administration Act 1992 (annual up-rating of benefits) do not apply, in the tax years ending with 5 April 2026, 5 April 2027, 5 April 2028 and 5 April 2029, to the LCWRA element or the LCW element.

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- (2) In this section –

- (a) “the LCWRA element” has the meaning given by regulation 27 of the Universal Credit Regulations 2013;
- (b) “the LCW element” has the meaning given by regulation 27 of the Universal Credit Regulations 2013 (so far as saved by paragraph 8 of Schedule 2 to the Employment and Support Allowance and Universal Credit (Miscellaneous Amendments and Transitional and Savings Provisions) Regulations 2017).

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4 Protected LCWRA amount for tax years 2026-27 to 2029-30

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- (1) Where it is necessary in order to achieve the result in subsection (2) for any of the tax years 2026-27 to 2029-30, the Secretary of State must exercise the power in section 9(2) or 12(3) of the Welfare Reform Act 2012 to increase –

- (a) the protected LCWRA amount for that tax year, or
- (b) any amount of the standard allowance for that tax year.

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- (2) The result to be achieved for a tax year (“the current tax year”) is that for each combination of the protected LCWRA amount and an amount of the standard allowance, the sum of those amounts for the current tax year is at least (in each case) the amount given by increasing –

- (a) the sum of those amounts for the previous tax year, by
- (b) the relevant CPI percentage for the current tax year.

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- (3) In this section –

- (a) “the protected LCWRA amount” means the amount of the LCWRA element that applies to a pre-2026 claimant, a severe conditions criteria claimant or a claimant who is terminally ill (within the meanings of the Universal Credit Regulations 2013);

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- (b) “the LCWRA element” has the meaning it has in section 3;
 - (c) “the standard allowance” means the allowance to be included in an award of universal credit under section 9(1) of the Welfare Reform Act 2012;
 - (d) reference to an amount or allowance “for” a tax year means the amount or allowance applicable for any assessment period commencing on or after the first Monday of that tax year and before the first Monday of the following tax year, and for this purpose “assessment period” has the same meaning as in Part 1 of that Act. 5
- (4) In this section and in section 5— 10
- (a) the “relevant CPI percentage” for a tax year is the percentage by which the consumer prices index for the September before the start of the tax year is higher than it was for the September before that (or 0% if it is not higher);
 - (b) the “consumer prices index” means the all items consumer prices index published by the Statistics Board. 15

5 Legacy employment and support allowance payments

- (1) Section 1 applies in relation to the amounts of the ESA IR personal allowance for tax years 2026-27 to 2029-30 as it applies in relation to the amounts of the standard allowance for those tax years, but as if the reference to the power in section 9(2) of the Welfare Reform Act 2012 were to the power in section 4(2)(a) of the Welfare Reform Act 2007. 20
- (2) Subsections (1) and (2) of section 150 of the Social Security Administration Act 1992 (annual up-rating of benefits) do not apply, in the tax years ending with 5 April 2026, 5 April 2027, 5 April 2028 and 5 April 2029, to the following sums— 25
- (a) any amount of an ESA IR disability premium;
 - (b) the ESA IR support component;
 - (c) the ESA IR work-related activity component.
- (3) Where it is necessary in order to achieve the result in subsection (4) for any of the tax years 2026-27 to 2029-30, the Secretary of State must exercise the power in section 4(2)(a) or (6)(c) of the Welfare Reform Act 2007 to increase— 30
- (a) any amount of an ESA IR disability premium for that tax year,
 - (b) the ESA IR support component for that tax year, or
 - (c) any amount of the ESA IR personal allowance for that tax year. 35
- (4) The result to be achieved for a tax year (“the current tax year”) is that for each combination of amounts referred to in subsection (3)(a) to (c) to which a person could be entitled, the sum of those amounts for the current tax year is at least (in each case) the amount given by increasing— 40
- (a) the sum of those amounts for the previous tax year, by
 - (b) the relevant CPI percentage for the current tax year.
- (5) In this section—
- (a) an “amount of the ESA IR personal allowance” means an amount—

- (i) that is prescribed under section 4(2)(a) of the Welfare Reform Act 2007 (amount of income-related allowance), and
 - (ii) that is not an amount of a premium specified in Part 3 of Schedule 4 to the Employment and Support Allowance Regulations 2008 or an amount in respect of housing costs; 5
- (b) an “amount of an ESA IR disability premium” means an amount of the severe disability premium or enhanced disability premium specified in Part 3 of Schedule 4 to the Employment and Support Allowance Regulations 2008, so far as prescribed under section 4(2)(a) of the Welfare Reform Act 2007; 10
- (c) “the ESA IR support component” means the amount specified in paragraph 13 of Part 4 of Schedule 4 to the Employment and Support Allowance Regulations 2008, so far as specified under section 4(6)(c) of the Welfare Reform Act 2007;
- (d) “the ESA IR work-related activity component” means the amount 15 specified in paragraph 12 of Part 4 of Schedule 4 to the Employment and Support Allowance Regulations 2008, so far as specified under section 4(6)(c) of the Welfare Reform Act 2007 for the purposes of cases falling within paragraphs 2 to 7 of Schedule 2 to the Employment and Support Allowance and Universal Credit (Miscellaneous Amendments and Transitional and Savings Provisions) Regulations 2017; 20
- (e) a reference to an amount or component “for” a tax year means the amount applicable for any benefit week commencing on or after the first Monday of that tax year and before the first Monday of the following tax year, and for this purpose “benefit week” has the same meaning as in the Employment and Support Allowance Regulations 2008. 25

Corresponding provision for Northern Ireland

6 Corresponding provision for Northern Ireland 30

Schedule 2 makes provision for Northern Ireland which corresponds to that made by the previous provisions of this Act.

Short title

7 Short title

This Act may be cited as the Universal Credit Act 2025. 35

SCHEDULES

SCHEDULE 1

Section 2

AMENDMENTS TO THE UNIVERSAL CREDIT REGULATIONS 2013 IN CONNECTION WITH NEW AMOUNTS OF THE LCWRA ELEMENT

- | | | |
|---|---|---|
| 1 | The Universal Credit Regulations 2013 are amended as follows. | 5 |
| 2 | <p>In regulation 2 (interpretation), at the appropriate places insert –</p> <p style="padding-left: 40px;">““pre-2026 claimant” has the meaning in regulation 27A(1);”;</p> <p style="padding-left: 40px;">““severe conditions criteria claimant” has the meaning in regulation 40A(2);”.</p> | |
| 3 | <p>In regulation 27 (award to include LCWRA element) –</p> <p style="padding-left: 20px;">(a) in paragraph (2), at the end insert “by reference to whether the claimant is –</p> <p style="padding-left: 60px;">(a) a pre-2026 claimant,</p> <p style="padding-left: 60px;">(b) a severe conditions criteria claimant,</p> <p style="padding-left: 60px;">(c) terminally ill, or</p> <p style="padding-left: 60px;">(d) any other claimant.”;</p> <p style="padding-left: 20px;">(b) in paragraph (3), after “activity” insert “or is a severe conditions criteria claimant”;</p> <p style="padding-left: 20px;">(c) in paragraph (4) –</p> <p style="padding-left: 60px;">(i) the words from “the award” to the end become sub-paragraph (a) of that paragraph, and</p> <p style="padding-left: 60px;">(ii) at the end of that sub-paragraph insert “, and</p> <p style="padding-left: 100px;">(b) where the LCWRA element for each of them is a different amount, the LCWRA element to be included is the higher amount.”</p> | <p>10</p> <p>15</p> <p>20</p> <p>25</p> |
| 4 | <p>After regulation 27 insert –</p> <p>“Meaning of “pre-2026 claimant”</p> <p>27A. –(1) For the purposes of regulation 27, a claimant with limited capability for work and work-related activity is a “pre-2026 claimant” if the claimant –</p> <p style="padding-left: 20px;">(a) was entitled at any time before 6 April 2026 to an award of universal credit that included the LCWRA element, and</p> <p style="padding-left: 20px;">(b) has been entitled to an award of universal credit that included the LCWRA element continuously from that time.</p> | <p>30</p> |

- (2) For the purpose of determining whether the claimant has been continuously entitled to an award of universal credit, no account is to be taken of any period of non-entitlement –
- (a) that begins because the financial condition in section 5(1)(b) or (2)(b) of the Act ceases to be met, and 5
 - (b) that ends within the period of six months beginning with the day on which that condition ceased to be met.”
- 5 In regulation 38 (introduction: capability for work or work-related activity), after “activity,” insert “or is a severe conditions criteria claimant,”.
- 6 After regulation 40 (limited capability for work and work-related activity) insert – 10

“Severe conditions criteria claimant

40A. – (1) A claimant is a “severe conditions criteria claimant” if it has been determined that the claimant is a severe conditions criteria claimant on the basis of an assessment under this Part. 15

(2) A claimant is a severe conditions criteria claimant on the basis of an assessment under this Part if –

- (a) the claimant has limited capability for work and work-related activity on the basis of an assessment under this Part (see regulation 40(2)), and 20
- (b) at least one of the descriptors set out in Schedule 7 constantly applies to the claimant and will do so for the rest of the claimant’s life.

(3) In assessing the extent of a claimant’s capability to perform any activity listed in Schedule 7, it is a condition that the claimant’s incapability to perform the activity arises – 25

- (a) in respect of descriptors 1 to 8, 15(a), 15(b), 16(a) and 16(b), from a specific bodily disease or disablement –
 - (i) that the claimant will have for the rest of their life, and
 - (ii) that has been diagnosed by an appropriately qualified health care professional in the course of the provision of NHS services, or 30
- (b) in respect of descriptors 9 to 14, 15(c), 15(d), 16(c) and 16(d), from a specific mental illness or disablement –
 - (i) that the claimant will have for the rest of their life, and 35
 - (ii) that has been diagnosed by an appropriately qualified health care professional in the course of the provision of NHS services.

(4) A descriptor constantly applies to a claimant if that descriptor applies to the claimant at all times or, as the case may be, on all occasions on which the claimant undertakes or attempts to undertake the activity described by that descriptor. 40

- (5) In this regulation “NHS services” means –
- (a) health care services provided for the purposes of the health service continued under –
 - (i) section 1(1) of the National Health Service Act 2006;
 - (ii) section 1(1) of the National Health Service (Wales) Act 2006; 5
 - (iii) section 1(1) of the National Health Service (Scotland) Act 1978;
 - (b) health and social care within the meaning of the Health and Social Care (Reform) Act (Northern Ireland) 2009 provided for the purposes of the system promoted under section 2(1) of that Act.”
- 7 In regulation 41 (when an assessment may be carried out) – 10
- (a) in paragraph (1) –
 - (i) in sub-paragraph (a), after “activity” insert “or is a severe conditions criteria claimant”;
 - (ii) in the closing words, for “(4)” substitute “(6)”;
 - (b) in paragraph (2)(b) – 15
 - (i) the words from “that a claimant” to the end become paragraph (i) of that sub-paragraph;
 - (ii) at the end of that paragraph insert “, or
 - (ii) that a claimant is a severe conditions criteria claimant made on the basis of an assessment under this Part,”; 20
 - (c) in paragraph (2), in the words after sub-paragraph (b), for “no assessment may” substitute “an assessment for the purposes of determining whether a claimant has limited capability for work and work-related activity may not”; 25
 - (d) for paragraph (4) substitute –
 - “(4) If it has been previously determined –
 - (a) on the basis of an assessment under this Part or under Part 4 or 5 of the ESA Regulations that the claimant does not have limited capability for work, or 30
 - (b) on the basis of an assessment under this Part that the claimant is a severe conditions criteria claimant,
 no further assessment under this Part is to be carried out unless there is relevant evidence.
 - (5) If it has been previously determined – 35
 - (a) on the basis of an assessment under this Part or under Part 4 or 5 of the ESA Regulations that the claimant has limited capability for work, and
 - (b) on the basis of an assessment under this Part that the claimant is not a severe conditions criteria claimant, 40

- no further assessment under this Part for the purposes of reviewing the determination that the claimant is not a severe conditions criteria claimant is to be carried out unless there is relevant evidence.
- (6) For the purposes of paragraphs (4) and (5) “relevant evidence”, in relation to a determination, means evidence to suggest that— 5
- (a) the determination was made in ignorance of, or based on a mistake as to, some material fact, or
 - (b) there has been a relevant change of circumstances in relation to the claimant’s physical or mental condition.”
- 8 In regulation 43 (information requirement)— 10
- (a) in paragraph (1), in the opening words, after “activity” insert “or is a severe conditions criteria claimant”;
 - (b) in paragraph (3), for “, as the case may be, for work and work-related activity” substitute “for work and work-related activity or as not being a severe conditions criteria claimant (as the case may be)”. 15
- 9 In regulation 44 (medical examination)—
- (a) in paragraph (1), after “activity” insert “or is a severe conditions criteria claimant”;
 - (b) in paragraph (2), for “, as the case may be, for work and work-related activity” substitute “for work and work-related activity or as not being a severe conditions criteria claimant (as the case may be)”. 20
- 10 In regulation 23 (introduction), in paragraph (2)(a) for “and” substitute “to”. 25

SCHEDULE 2

Section 6

NORTHERN IRELAND: CORRESPONDING PROVISION

Standard allowance for tax years 2026-27 to 2029-30

- 1 (1) The Department for Communities in Northern Ireland must exercise a relevant power in order to secure that the amounts of the standard allowance for tax years 2026-27 to 2029-30 are at least the amounts calculated for each tax year in accordance with sub-paragraph (2). 30
- (2) The minimum amounts of the standard allowance for a tax year are calculated as follows—
- Step 1* 35
- Where the tax year is 2026-27, take the amounts of the standard allowance for tax year 2025-26.
- Where the tax year is 2027-28, 2028-29 or 2029-30, take the amounts resulting from Step 2 for the previous tax year.

Step 2

Increase the amounts identified in Step 1 by the relevant CPI percentage for the tax year.

Step 3

Increase the amounts resulting from Step 2 by the relevant uplift percentage for the relevant tax year. 5

- (3) The “relevant CPI percentage” for a tax year is the percentage by which the consumer prices index for the September before the start of the tax year is higher than it was for the September before that (or 0% if it is not higher).
- (4) The table below sets out the relevant uplift percentage for tax years 2026-27 to 2029-30 – 10

Tax year	Relevant uplift percentage	
2026-27	2.3%	
2027-28	3.1%	
2028-29	4.0%	15
2029-30	4.8%	

- (5) In this paragraph –
- (a) “consumer prices index” means the all items consumer prices index published by the Statistics Board;
 - (b) a “relevant power” means – 20
 - (i) the power in Article 14(2) of the Welfare Reform (Northern Ireland) Order 2015 (S.I. 2015/2006 (N.I. 1));
 - (ii) the power in section 132 of the Social Security Administration (Northern Ireland) Act 1992;
 - (c) “the standard allowance” means the allowance to be included in an award of universal credit under Article 14(1) of the Welfare Reform (Northern Ireland) Order 2015; 25
 - (d) the standard allowance “for” a tax year means the standard allowance applicable for any assessment period commencing on or after the first Monday of that tax year and before the first Monday of the following tax year, and for this purpose “assessment period” has the same meaning as in Part 2 of that Order. 30
- (6) In this paragraph and paragraphs 3 and 4 –
- (a) “tax year” means the 12 months beginning with 6 April in any year;
 - (b) “tax year 2025-26” means the tax year beginning on 6 April 2025 (and any corresponding expression in which two years are similarly mentioned is to be read in the same way). 35

LCWRA element for tax year 2026-27

- 2 (1) The Universal Credit Regulations (Northern Ireland) 2016 (S.R. (N.I.) 2016 No. 216) are amended as follows.
- (2) In regulation 2 (interpretation), at the appropriate places insert –
- ““pre-2026 claimant” has the meaning in regulation 28A(1);” 5
- ““severe conditions criteria claimant” has the meaning in regulation 41A(2);”.
- (3) In regulation 28 (award to include LCWRA element) –
- (a) in paragraph (2), at the end insert “by reference to whether the claimant is – 10
- (a) a pre-2026 claimant,
- (b) a severe conditions criteria claimant,
- (c) terminally ill, or
- (d) any other claimant.”;
- (b) in paragraph (3) after “activity” insert “or is a severe conditions criteria claimant”; 15
- (c) in paragraph (4) –
- (i) the words from “the award” to the end become sub-paragraph (a) of that paragraph, and
- (ii) at the end of that sub-paragraph insert “, and 20
- (b) where the LCWRA element for each of them is a different amount, the LCWRA element to be included is the higher amount.”
- (4) After regulation 28 insert –
- “Meaning of “pre-2026 claimant” 25**
- 28A.** – (1) For the purposes of regulation 28, a claimant with limited capability for work and work-related activity is a “pre-2026 claimant” if the claimant –
- (a) was entitled at any time before 6 April 2026 to an award of universal credit that included the LCWRA element, and 30
- (b) has been entitled to an award of universal credit that included the LCWRA element continuously from that time.
- (2) For the purpose of determining whether the claimant has been continuously entitled to an award of universal credit, no account is to be taken of any period of non-entitlement – 35
- (a) that begins because the financial condition in Article 10(1)(b) or (2)(b) of the Order ceases to be met, and
- (b) that ends within the period of six months beginning with the day on which that condition ceased to be met.”

- (5) In the table in regulation 38 (amounts of elements) –
- (a) before the row showing the amount for limited capability for work and work-related activity (“the existing row”) insert –
- | | | |
|---|-----------|---|
| “claimant with limited capability for work and work-related activity, other than a pre-2026 claimant, a severe conditions criteria claimant or a claimant who is terminally ill | £217.26”; | 5 |
|---|-----------|---|
- (b) in the existing row, for “limited capability for work and work-related activity” substitute “pre-2026 claimant, severe conditions criteria claimant or claimant who is terminally ill”.
- (6) After regulation 41 (limited capability for work and work-related activity) insert –

“Severe conditions criteria claimant

41A. –(1) A claimant is a “severe conditions criteria claimant” if it has been determined that the claimant is a severe conditions criteria claimant on the basis of an assessment under this Part.

(2) A claimant is a severe conditions criteria claimant on the basis of an assessment under this Part if –

- (a) the claimant has limited capability for work and work-related activity on the basis of an assessment under this Part (see regulation 41(2)), and
- (b) at least one of the descriptors set out in Schedule 7 constantly applies to the claimant and will do so for the rest of the claimant’s life.
- (3) In assessing the extent of a claimant’s capability to perform any activity listed in Schedule 7, it is a condition that the claimant’s incapability to perform the activity arises –
- (a) in respect of descriptors 1 to 8, 15(a), 15(b), 16(a) and 16(b), from a specific bodily disease or disablement –
- (i) that the claimant will have for the rest of their life, and
- (ii) that has been diagnosed by an appropriately qualified health care professional in the course of the provision of health and social care services, or
- (b) in respect of descriptors 9 to 14, 15(c), 15(d), 16(c) and 16(d), from a specific mental illness or disablement –
- (i) that the claimant will have for the rest of their life, and
- (ii) that has been diagnosed by an appropriately qualified health care professional in the course of the provision of health and social care services.

(4) A descriptor constantly applies to a claimant if that descriptor applies to the claimant at all times or, as the case may be, on all occasions on which the claimant undertakes or attempts to undertake the activity described by that descriptor.

(5) In this regulation “health and social care services” means— 5

(a) health and social care within the meaning of the Health and Social Care (Reform) Act (Northern Ireland) 2009 provided for the purposes of the system promoted under section 2(1) of that Act;

(b) health care services provided for the purposes of the health service continued under— 10

(i) section 1(1) of the National Health Service Act 2006;

(ii) section 1(1) of the National Health Service (Wales) Act 2006;

(iii) section 1(1) of the National Health Service (Scotland) Act 1978.”

(7) In regulation 42 (when an assessment may be carried out)—

(a) in paragraph (1)— 15

(i) in sub-paragraph (a), after “activity” insert “or is a severe conditions criteria claimant”;

(ii) in the closing words, for “(4)” substitute “(6)”;

(b) in paragraph (2)(b)—

(i) the words from “that a claimant” to the end become paragraph (i) of that sub-paragraph; 20

(ii) at the end of that paragraph insert “, or

(ii) that a claimant is a severe conditions criteria claimant made on the basis of an assessment under this Part;” 25

(c) in paragraph (2), in the words after sub-paragraph (b), for “no assessment may” substitute “an assessment for the purposes of determining whether a claimant has limited capability for work and work-related activity may not”;

(d) for paragraph (4) substitute— 30

“(4) If it has been previously determined—

(a) on the basis of an assessment under this Part or under Part 4 or 5 of the ESA Regulations that the claimant does not have limited capability for work, or

(b) on the basis of an assessment under this Part that the claimant is a severe conditions criteria claimant, 35

no further assessment under this Part is to be carried out unless there is relevant evidence.

(5) If it has been previously determined—

(a) on the basis of an assessment under this Part or under Part 4 or 5 of the ESA Regulations that the claimant has limited capability for work, and 40

- (b) on the basis of an assessment under this Part that the claimant is not a severe conditions criteria claimant, no further assessment under this Part for the purposes of reviewing the determination that the claimant is not a severe conditions criteria claimant is to be carried out unless there is relevant evidence. 5
- (6) For the purposes of paragraphs (4) and (5) “relevant evidence”, in relation to a determination, means evidence to suggest that –
- (a) the determination was made in ignorance of, or based on a mistake as to, some material fact, or
- (b) there has been a relevant change of circumstances in relation to the claimant’s physical or mental condition.” 10
- (8) In regulation 44 (information requirement) –
- (a) in paragraph (1), in the opening words, after “activity” insert “or is a severe conditions criteria claimant”;
- (b) in paragraph (3), for “, as the case may be, for work and work-related activity” substitute “for work and work-related activity or as not being a severe conditions criteria claimant (as the case may be)”. 15
- (9) In regulation 45 (medical examination) –
- (a) in paragraph (1), after “activity” insert “or is a severe conditions criteria claimant”; 20
- (b) in paragraph (2), for “, as the case may be, for work and work-related activity” substitute “for work and work-related activity or as not being a severe conditions criteria claimant (as the case may be)”. 25
- (10) This paragraph comes into force on 6 April 2026 and has effect in relation to assessment periods commencing on or after that date, and for this purpose “assessment period” has the same meaning as in Part 2 of the Welfare Reform (Northern Ireland) Order 2015 (S.I. 2015/2006 (N.I. 1)).
- Protected LCWRA amount for tax years 2026-27 to 2029-30* 30
- 3 (1) Where it is necessary in order to achieve the result in sub-paragraph (2) for any of the tax years 2026-27 to 2029-30, the Department for Communities in Northern Ireland must exercise the power in Article 14(2) or 17(3) of the Welfare Reform (Northern Ireland) Order 2015 to increase –
- (a) the protected LCWRA amount for that tax year, or 35
- (b) any amount of the standard allowance for that tax year.
- (2) The result to be achieved for a tax year (“the current tax year”) is that for each combination of the protected LCWRA amount and an amount of the standard allowance, the sum of those amounts for the current tax year is at least (in each case) the amount given by increasing – 40
- (a) the sum of those amounts for the previous tax year, by
- (b) the relevant CPI percentage for the current tax year.

- (3) In this paragraph –
- (a) “the protected LCWRA amount” means the amount of the LCWRA element that applies to a pre-2026 claimant, a severe conditions criteria claimant or a claimant who is terminally ill (within the meanings of the Universal Credit Regulations (Northern Ireland) 2016); 5
 - (b) “the LCWRA element” has the meaning given by regulation 28 of those Regulations;
 - (c) “the standard allowance” means the allowance to be included in an award of universal credit under Article 14(1) of the Welfare Reform (Northern Ireland) Order 2015; 10
 - (d) reference to an amount or allowance “for” a tax year means the amount or allowance applicable for any assessment period commencing on or after the first Monday of that tax year and before the first Monday of the following tax year, and for this purpose “assessment period” has the same meaning as in Part 2 of that Order. 15
- (4) In this paragraph and in paragraph 4 –
- (a) the “relevant CPI percentage” for a tax year is the percentage by which the consumer prices index for the September before the start of the tax year is higher than it was for the September before that (or 0% if it is not higher); 20
 - (b) the “consumer prices index” means the all items consumer prices index published by the Statistics Board.

Legacy employment and support allowance

- 4 (1) Paragraph 1 applies in relation to the amounts of the ESA IR personal allowance for tax years 2026-27 to 2029-30 as it applies in relation to the amounts of the standard allowance for those tax years, but as if the reference to the power in Article 14(2) of the Welfare Reform (Northern Ireland) Order 2015 were to the power in section 4(2)(a) of the Welfare Reform Act (Northern Ireland) 2007 (c. 2 (N.I.)). 25 30
- (2) Where it is necessary in order to achieve the result in sub-paragraph (3) for any of the tax years 2026-27 to 2029-30, the Department for Communities in Northern Ireland must exercise the power in section 4(2)(a) or (6)(c) of the Welfare Reform Act (Northern Ireland) 2007 to increase –
- (a) any amount of the severe disability premium or enhanced disability premium specified in Part 3 of Schedule 4 to the Employment and Support Allowance Regulations (Northern Ireland) 2008 (S.R. (N.I.) 2008 No. 280) for that tax year (so far as prescribed under section 4(2)(a) of that Act), 35
 - (b) the amount specified in paragraph 13 of Part 4 of that Schedule for that tax year (so far as specified under section 4(6)(c) of that Act), 40
or
 - (c) any amount of the ESA IR personal allowance for that tax year.

- (3) The result to be achieved for a tax year (“the current tax year”) is that for each combination of amounts referred to in sub-paragraph (2)(a) to (c) to which a person could be entitled, the sum of those amounts for the current tax year is at least (in each case) the amount given by increasing –
 - (a) the sum of those amounts for the previous tax year, by 5
 - (b) the relevant CPI percentage for the current tax year.

- (4) In this paragraph –
 - (a) an “amount of the ESA IR personal allowance” means an amount –
 - (i) that is prescribed under section 4(2)(a) of the Welfare Reform Act (Northern Ireland) 2007 (amount of income-related allowance), and 10
 - (ii) that is not an amount of a premium specified in Part 3 of Schedule 4 to the Employment and Support Allowance Regulations (Northern Ireland) 2008 (S.R. (N.I.) 2008 No. 280) or an amount in respect of housing costs; 15
 - (b) a reference to an amount “for” a tax year means the amount applicable for any benefit week commencing on or after the first Monday of that tax year and before the first Monday of the following tax year, and for this purpose “benefit week” has the same meaning as in the Employment and Support Allowance Regulations (Northern Ireland) 2008. 20

Universal Credit Bill

[AS BROUGHT FROM THE COMMONS]

A

B I L L

TO

Make provision to alter the rates of the standard allowance, limited capability for work element and limited capability for work and work-related activity element of universal credit and the rates of income-related employment and support allowance.

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