

Thousands to be supported into work as government reforms welfare system

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Hundreds of thousands of sick or disabled people will be offered voluntary help towards employment as part of a package of measures coming into force today (6 April) that will encourage work and save taxpayers around £1 billion.

- Incentives that discourage work and trap people on benefits to be removed via legislation coming into force today.
- Nearly £1 billion taxpayer money expected to be saved thanks to measures to narrow the gap between payments for people on health-related benefits and those actively seeking work.
- Comes alongside employment support package of £3.5 billion, with 65,000 disabled people or those with health conditions already given tailored help.

The system inherited from the previous Government encouraged more people to stay on benefits without support to move into work.

Reforms coming into force today will change that, tackling perverse incentives by introducing a lower Universal Credit health element rate of £217.26 per month for new claimants, compared to the higher rate of £429.80.

Those with the most severe, lifelong conditions, those nearing end of life, and all existing Universal Credit health claimants will continue to receive the higher rate.

Anyone affected by the changes to Universal Credit will be entitled to voluntary employment support, with more than 65,000 people with limited capability for work and work-related activity taking up the offer since March 2025 - exceeding the target.

And as the Government continues to bear down on the cost of living, the changes will also see almost four million households on the standard rate of Universal Credit receive a boost worth around £295 extra this year in cash terms, around £110 above inflation, for a single person aged 25 or over.

Minister for Social Security and Disability Sir Stephen Timms said:

The welfare system we inherited has for too long locked disabled people and people with long term conditions out of work.

Laws coming into force today will change that, reducing projected expenditure on Universal Credit by almost £1 billion.

Simultaneously boosting the standard allowance and investing £3.5 billion in employment support means we're creating a welfare system that backs people to work and helps them build a better future.

From 8 April, customers with limited capability for work or work-related activity will also see a new notification on their Universal Credit account giving information on the support available and allowing them to opt in to being contacted to find out more about the support.

This will trigger a conversation with a Pathways to Work adviser, who can offer personalised appointments and refer individuals to programmes such as Connect to Work, WorkWell, or local Trailblazer schemes.

The changes come alongside the £3.5 billion investment the Government is making to help disabled people and those with long-term health conditions move closer to the labour market, offering personalised support aimed at improving employment and living standards.

This includes the Connect to Work programme, which will provide tailored help to 300,000 people over the next five years, and the groundbreaking WorkWell programme, set to support a further 250,000 people to stay in or return to work.

With 2.7 million people on Universal Credit assessed as having limited capability for work- and work-related activity, the tailored employment support aims to open up opportunities and remove barriers to work, rather than leave people stuck on benefits.

Additional information

- Based in every Jobcentre across England, Wales and Scotland, the advisers offer one-to-one support to people with Limited Capability for Work and Work-Related Activity (LCWRA) status - those who receive benefits without any requirement to look for work
- The Act delivers the first sustained, above inflation uplift to UC's standard allowance. The four rates of standard allowance will rise above the rate of inflation in each of the years from 2026/27 to 2029/30. From April 2026, monthly rates increase to:
 - £338.58 - Single under 25
 - £424.90 - Single 25+
 - £528.34 - Couple under 25
 - £666.97 - Couple 25+
- The previous system means that people receiving the Universal Credit health top-up were paid more than twice as much as a single person on the standard rate who is looking for work, without any support to move into employment.

<https://www.gov.uk/government/news/thousands-to-be-supported-into-work-as-government-reforms-welfare-system>