

Making Work Pay for Disabled People



Becca Stacey
September 2025

Contents

Contents	2
Executive Summary	3
Introduction	5
The work allowance	7
How the work allowance works	7
Not all disabled people have access to a work allowance	8
The impact of the work allowance	10
The future of the work allowance	15
Where the work allowance could go further	17
The work allowance compared to financial incentives in the legacy system	17
Cuts to the higher work allowance	18
The impact of increasing the work allowance	22
The risk of losing access to benefits	25
The fear of losing health and disability benefits	25
The 16 hour earnings rule	27
The loss of other passported benefits	30
Conclusion	32
Annex	33
Incoming and outgoing costs for Figure 1	33
Incoming and outgoing costs for Figure 4	37
Incoming and outgoing costs for Figure 5	41

Executive Summary

For some of the disabled people we support, work does not feel financially worthwhile. While money is rarely the only factor influencing a disabled person's decisions about employment, the benefits system could do much more to ensure that work genuinely pays. The government is taking some positive steps to help people into work, but isn't making the most of key tools at its disposal. This report highlights how our social security system could be reformed to make employment more financially rewarding for disabled people across three key areas:

1. **Access to the work allowance.** The work allowance can make a significant difference. For example, our client Elif is entitled to the Limited Capability for Work Related Activity (LCWRA) component of Universal Credit (UC) and the work allowance, and is £183.64 a month better off in work than she would be if she had neither. However, many disabled people struggle to qualify for a Limited Capability for Work (LCW) or LCWRA element, which currently determines access to the allowance. And planned government reforms will only make access worse. By restricting eligibility to UC health to those receiving the daily living component of Personal Independent Payment (PIP), almost 50,000 people who currently receive LCW or LCWRA but not PIP daily living would lose both UC health support and their work allowance. Instead of limiting access further, the government should be expanding disabled people's entitlement to the work allowance.
2. **The level of the work allowance.** Despite the work allowance being an important mechanism, further steps could also be taken to ensure it helps disabled people be able to keep more of their benefits income before this starts being reduced. As it stands, an individual on UC will see their UC reduced after working 7.77 hours a week at National Living Wage (NLW) if they receive help with housing costs, and 12.93 hours a week if they do not. Raising the allowance would allow disabled people to keep more of their earnings before benefits are reduced, making work more financially worthwhile.
3. **Protecting benefits when moving into work.** Employment can put health and disability benefits, Carer's Allowance, and linked support such

as free prescriptions at risk. This creates further barriers to work for disabled people. The government's proposed 'right to try' - which prevents employment from triggering a PIP review or Work Capability Assessment (WCA) reassessment - is a positive step but does not go far enough. Protections must be extended so that taking up work does not undermine entitlement at routine or future assessments for health and disability benefits. And more broadly, the department for Work and Pensions (DWP) should move away from blunt measures when assessing a person's capacity for work, and take a more flexible approach to assessing whether and how much someone can work.

Instead of taking these important steps to reform the benefits system so that work pays more for disabled people, the government appears to be focused on cutting the already limited financial support available to disabled people. This short-term drive to cut costs is unlikely to deliver the long-term aim of increasing disabled people's employment. Until the focus shifts from balancing budgets to investing in the support disabled people need to enter and thrive in work, those outcomes will remain out of reach.

Acknowledgements

The author is grateful to Victoria Anns, Craig Berry, Simon Collerton, Julia Ruddick-Trentmann, Maddy Rose, Jagna Olejniczak, Edward Pemberton, Kate Harrison and Kate Smith for their advice and support with this paper. Thanks also to all those from local Citizens Advice offices for the helpful conversations and feedback that have contributed significantly to this work.

Introduction

The barriers disabled people face to work are multiple and often overlapping. In many instances, people's health means work is not suitable or appropriate.¹ Other barriers can include caring responsibilities² as well as their own care needs not being met,³ poor quality housing,⁴ a lack of effective training opportunities and employment support,⁵ and workplaces being inaccessible and unsupportive.^{6,7} These barriers rarely exist in isolation from each other, and often interact in complex ways.

For some of the disabled people we support, work can also not feel financially worth it. While financial incentives are rarely the sole factor influencing whether a disabled person takes up work, the benefits system could play a far greater role in making work pay. This is especially important given that many disabled people are starting from a place of significant financial hardship. The poverty rate for disabled people is 30%, 10 percentage points higher than the rate for people who are not disabled.⁸ It is therefore essential that moving into work genuinely improves people's financial position.

In this report, we will look at how key parts of the benefits system could be reformed to make work more financially advantageous for disabled people. This includes improving disabled people's access to, and the level of, the work allowance. It also involves ensuring people can still access or keep health and disability benefits, and any associated benefits these passport to, if they move into work.

¹ Department for Work and Pensions (2025) [Work aspirations and support needs of health and disability customers: Final findings report](#).

² Slaughter H, Stone I (2025) [Don't forget about us: How disabilities and caring responsibilities affect low-to-middle income Britain](#), Resolution Foundation.

³ Ian Porter (2024) [Unlocking benefits: Tackling barriers for disabled people wanting to work](#), Joseph Rowntree Foundation.

⁴ Equality and Human Rights Commission (2018) [Housing and disabled people Britain's hidden crisis](#).

⁵ Ian Porter (2024) [Unlocking benefits: Tackling barriers for disabled people wanting to work](#), Joseph Rowntree Foundation.

⁶ Pemberton E, Lynn E (2025) [Economic activity and health inequalities: how labour market experiences sustain health inequalities](#), Citizens Advice.

⁷ This will be the focus of one of our upcoming reports.

⁸ Joseph Rowntree Foundation (2025) [UK Poverty 2025](#).

In this report, health and disability benefits will refer to the LCW and LCWRA elements of UC, and PIP. LCW is for someone who has limited capability to work and will be expected to engage in work preparation activities, but will not be required to start work. However, they may work if they choose to do so. LCWRA is for people who have health difficulties serious enough that they aren't required to prepare for work or start work. However, again, they may work if they choose to do so. PIP is designed to help people with the extra costs incurred due to disability and long-term health conditions. It's not means-tested and people on PIP can and do work.

This paper will focus on disabled people who want to move into work and would be able to do so under the right conditions. But we recognise that for many disabled people work is not suitable, or not possible due to a lack of opportunities or support, and that the government's rhetoric about moving disabled people into work can be actively harmful. We also recognise that disabled people have varying abilities and preferences when it comes to the number of hours and types of work they take on. This paper does not focus solely on the barriers to full-time employment, as we understand that part-time or voluntary work may be more suitable or desirable for many.

The work allowance

For some of the disabled people we support, there are concerns that moving from benefits into employment may not be financially worthwhile, especially given the potentially stressful nature of the transition. This concern is often heightened by the fact that much of the work available to them is low-paid and offers limited or irregular hours.

The work allowance is a vital mechanism that can help make employment more financially appealing for disabled people. However, as we will explore in this section, disabled people can face barriers to accessing the work allowance. And instead of widening access to this work incentive, government reforms risk further restricting access to it.

How the work allowance works

The work allowance is the amount you can earn before your UC award begins to decrease. It applies to disabled people in receipt of a LCW or LCWRA element, or those responsible for a child or young person. This report will focus on the work allowance for disabled people.

The work allowance helps ensure that, if and when they move into employment, recipients can keep more of their earnings alongside their benefits before those benefits begin to be reduced. This is especially important for disabled people, who face additional costs in work - including paying higher bills due to working remotely, using taxis due to inaccessible public transport or having to self-fund equipment and additional support.⁹ By allowing disabled people to retain a larger portion of their earnings, the work allowance helps to recognise these extra costs, making employment more financially viable and sustainable.

The UC work allowance is £411 a month if someone receives help with their housing costs from UC, and £684 a month if they don't. The rationale for having two different work allowance rates is because individuals who receive a high level of housing support typically receive a larger overall UC award than those who get little or no help with housing costs. The government therefore decided that those who don't receive housing support should be allowed to keep more of

⁹ Annie Makoff (2022) [Paying to work: the financial penalties for disabled people](#), d&i Leaders.

their earnings before their UC begins to reduce, by giving them a higher work allowance.¹⁰

73% of people who have been awarded LCW and 66% of people who have been awarded LCWRA are in receipt of the UC housing element, and therefore eligible for the lower work allowance. 27% of those with LCW and 34% with LCWRA are therefore entitled to the higher work allowance, due to not being in receipt of support with housing costs.¹¹ It's important to note that although many of these people are entitled to the work allowance, they won't receive it if they are not working.

Not all disabled people have access to a work allowance

To access a work allowance, someone must be in receipt of a LCW or LCWRA element. However, issues with the WCA - the assessment used to determine whether someone is eligible for a LCW or a LCWRA element - have long been documented.¹² We routinely support people, like Shreyas, who have attended a WCA and been told they're not entitled to a LCW or LCWRA element, despite being very unwell. In 2024, we helped more than 9,700 people with a mandatory reconsideration or appeal for a limited capability for work element of UC. In many instances, this will relate to someone being refused a LCW or LCWRA element of UC following their WCA.

Shreyas's* Story

Shreyas had to stop working due to chronic knee pain, which severely limits his mobility. He attended a WCA, where the DWP decided that, despite being unable to walk, he did not have limited capacity for work because he could use a wheelchair. However, they never investigated whether a wheelchair had been recommended or whether it was suitable for him - which it wasn't. Shreyas sought help from Citizens Advice to challenge this decision. We supported him through a mandatory reconsideration and then an appeal. At the appeal, he was awarded LCWRA. This was two years after his initial refusal, though, and during that time Shreyas experienced severe financial hardship

¹⁰ [Explanatory Memorandum to the Universal Credit \(Work Allowance\) Amendment Regulations 2015.](#)

¹¹ Citizens Advice's analysis of Stat-Xplore.

¹² Work and Pensions Select Committee, [Health assessments for benefits inquiry.](#)

and had to borrow money from his family. After knee surgery, he has begun preparing to return to work. At this stage, his work capacity is still very limited, and he is trialing two hours of work per day while monitoring how this affects his other knee. With his LCWRA award and the associated work allowance, he'll now be able to keep more of his benefits income if he does enter into employment.

*All names have been changed

As well as supporting people who are wrongly denied a LCW or LCWRA element following their WCA, we also support individuals who have not been made aware of or referred for a WCA in the first place. When making a UC claim, someone should be asked about any health conditions or disabilities they have that might affect their ability to work. If the condition is expected to limit work for more than 28 days, and an individual has supplied sufficient information to prove this, they should be referred for a WCA at day 29 of their claim.¹³ In some instances, if an individual has a specific illness or is undergoing treatment, they will be referred for a WCA much sooner.¹⁴ However, we often support people like Adil and Ola who, despite being eligible, have not been referred for a WCA.

Adil's Story*

Adil is unable to work due to their mental health problems. They've applied for PIP, and have been supplying the Jobcentre with fit notes. However, their work coach never offered to have their fitness for work assessed via a WCA and they hadn't heard of this option. They came to us because they were struggling to pay for food and needed a food bank voucher.

*All names have been changed

¹³ [Work Capability Assessments: Guidance.](#)

¹⁴ [Universal Credit: Health conditions and disability guide.](#)

Ola's Story*

Ola has kidney failure, which means she requires dialysis every other day along with numerous other medical treatments. She receives PIP, and her dialysis should have automatically qualified her for LCW. Based on the medical evidence she provided from the start of her claim, she should also have been informed of her eligibility to apply for LCWRA. Ola works two days a week. Her doctor continues to provide fit notes, explaining that this limited work benefits her mental health, and that without that mental health benefit, the medical advice would be for her to stop working entirely. With support from Citizens Advice, Ola posted a note on her UC journal stating that she should be receiving LCW and requesting an assessment for LCWRA. She has since been awarded LCWRA. We're helping her to have the award backdated to when she first informed UC of her kidney failure, and to reclaim deductions that were applied to her earnings during that time, as she should have been entitled to the work allowance for that period.

*All names have been changed

We recognise that many of the people who are applying for a LCW or LCWRA element will not be in a position to work, and will be seeking this element specifically to provide them with needed financial support and respite from conditionality in light of this. However, there will also be disabled people applying for these elements who might be open to considering a move into work at some point.¹⁵ And any barriers they face in accessing the LCW or LCWRA element also prevent them from accessing an important part of the social security system that could support them to make this transition into work - the work allowance.

The impact of the work allowance

To understand how the work allowance could encourage someone to take up employment, we have used the Turn2Us benefits calculator to look at how our client Elif's (not her actual name) monthly income would change if she started

¹⁵ Research suggests that 200,000 people on incapacity and disability benefits could work now, with the right support and in the right job and that over a million believe that work could be possible in the future if their health improved [Department for Work and Pensions (2025) [Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper](#)]

paid work. Elif is a real person who came to us for help in 2025. She lives on her own, in a town on the fringe of the London metropolitan area. Elif has severe mental health issues. She had to resign from her last job because her PTSD was impacting her ability to work. However, a combination of medication and mental health support means her mental health is now more stable. She's keen to explore a return to work - though at this stage it would need to be part-time due to her condition - and has had a number of interviews recently.

Elif has been awarded LCWRA, and therefore has access to the work allowance. We've looked at how her income would be affected by moving into work, compared to if she didn't have LCWRA (or a LCW element), and therefore no access to a work allowance.

Because Elif came to Citizens Advice for help with debt she'd built up when unwell, we have a detailed breakdown of her benefits income - which includes PIP, Council Tax Support (CTS) and UC¹⁶ - as well as a breakdown of her outgoing costs. These include rent, bills, and what she spends on care and health, transport and travel, communications and leisure, food and housekeeping, and personal costs.¹⁷ A breakdown of these incoming and outgoing costs are listed in the Annex. Having access to this data means we can see exactly how her income would be affected, after accounting for all her expenses, if she moved into work. Elif sometimes needs to use taxis because of her condition, and we've factored the additional transport costs she would incur as a result of travelling to and from work in our modelling.¹⁸

Finally, we've modelled how Elif's income would change if she was working varying hours a week at the NLW. It's important to note that while there is no formal limit on how much someone receiving the LCWRA element can work -

¹⁶ Elif was also in receipt of a Discretionary Housing Payment of £56.54 per week from 31/03/25 to 26/10/25. We have removed this from our modelling, however, as it is a temporary payment that will not be relevant to her ongoing income when in work.

¹⁷ Her income and outgoing costs are accurate for July 2025.

¹⁸ To estimate her travel costs, we used rates from a taxi company in her local area. We calculated the cost for different work patterns, assuming:

- 1 return trip per week (working 4–8 hours)
- 2 return trips (working 12–16 hours)
- 3 return trips (working 20–24 hours)
- 4 return trips (working 28–32 hours)
- 5 return trips (working 35 hours)

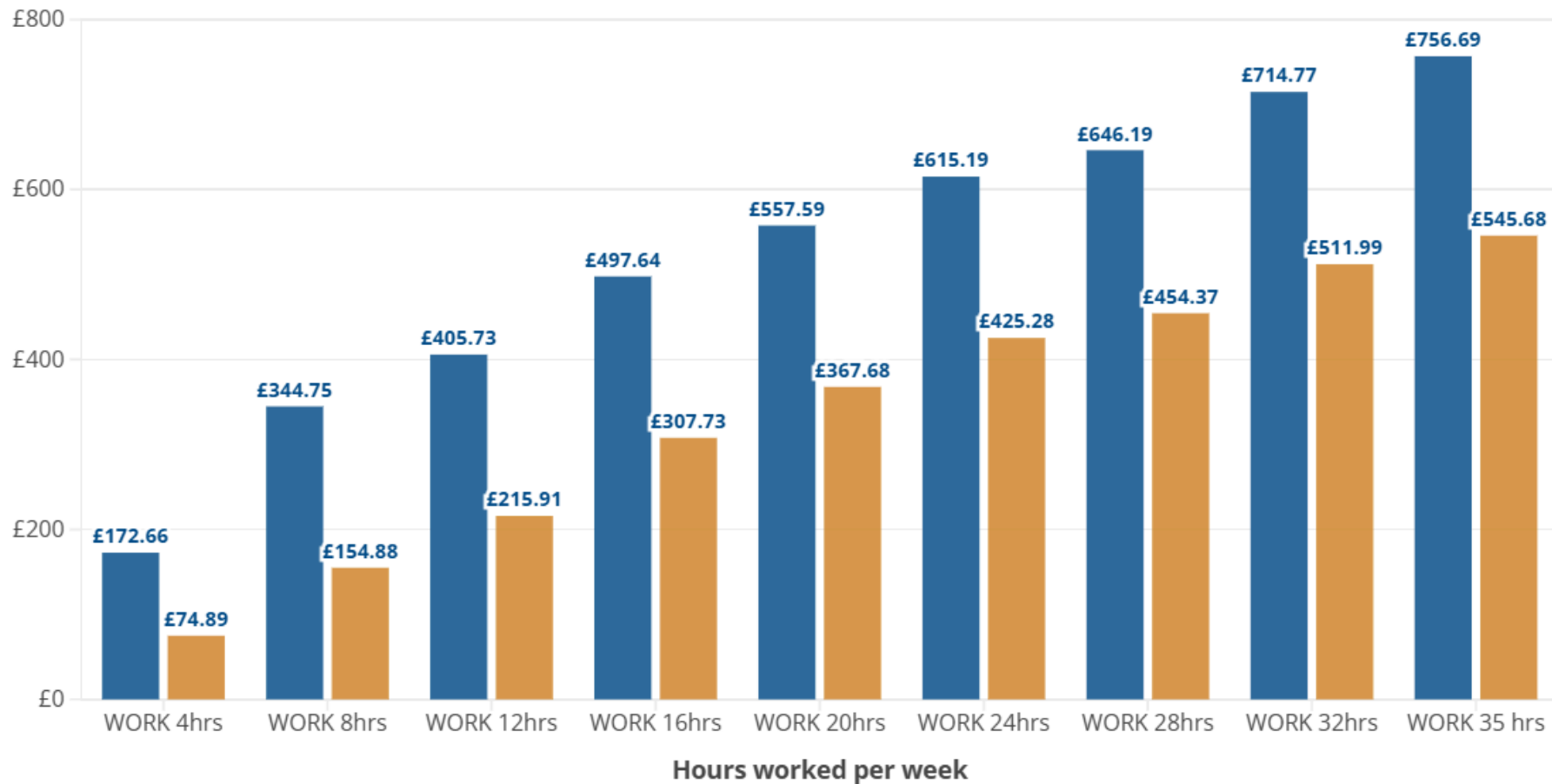
We then added these additional costs to the travel and transport expenses she already incurs while out of work.

which is why, in Figure 1, we show Elif keeping her LCWRA element regardless of her working hours - the reality is often quite different. As discussed later in this report, very few people work full-time or near full-time while receiving the LCW or LCWRA element.

Figure 1: The additional income Elif would receive if she moved into work with her LCWRA element and access to a work allowance, compared to if she didn't have LCWRA and access to the work allowance

■ LCWRA and access to work allowance ■ Fit for Work and no access to work allowance

Additional income if in work



As demonstrated in figure 1 - because of being in receipt of LCWRA and a work allowance - Elif would on average be £183.64 better off in work than she would be if she didn't have LCWRA nor access to a work allowance.¹⁹ Moving into work for just 4 hours a week at the NLW would mean she was £172.66 better off a month because of her access to the work allowance. If she didn't have access to the work allowance, she would have to work over twice as many hours to be this much better off in work.

If Elif didn't have LCWRA or access to the work allowance, moving into work for 4 hours a week would mean she was only £74.89 better off a month. And even if she was to work full-time, she would only be receiving £545.68 more a month than she currently does being out of work. This is undoubtedly a significant amount for those on low incomes. But on the other hand, if we calculated what £545.68 extra a month equaled in terms of the added value of every hour worked, it would only be £3.60.²⁰ By comparison, it would be £4.99 as it stands,²¹ because of her LCWRA element and access to the work allowance.

It's important to recognise that for some of the people we support, this limited financial gain wouldn't outweigh the potential disadvantages that can be associated with moving into work. This can include increased strain on people's health, having less time and energy available to fulfill caring responsibilities, and the potential loss of benefits.

"I had a client who was a single mother with chronic back pain and she was about £50 a month better off if she worked (part-time) even taking into account the free childcare - and she argued that she'd be getting £50 more to work and not see her children as much." - Citizens Advice adviser

It's also important to note that our modelling is tailored to one specific client. For others, once different incomes and outgoing costs are taken into account,

¹⁹ We calculated the average difference between being in work with LCWRA and a work allowance, and being in work without LCWRA and a work allowance, across all the different working hour configurations.

²⁰ The additional amount Elif would earn from working 35 hours a week without LCWRA and a work allowance is £545.68. To get a proxy for what extra income this would equate to on an hourly basis, we first used an unrounded month to week conversion (52/12). $£545.68 / (52/12) = £125.93$. We then divided this weekly figure by 35 ($£125.93 / 35 = £3.60$) to get the hourly figure.

²¹ The additional amount Elif would earn from working 35 hours a week with LCWRA and a work allowance is £756.69. To get a proxy for what extra income this would equate to on an hourly basis, we first used an unrounded month to week conversion (52/12). $£756.69 / (52/12) = £174.62$. We then divided this weekly figure by 35 ($£174.62 / 35 = £4.99$) to get the hourly figure.

working may seem far less financially viable - especially for those living in areas with particularly high transport costs.

"Client would be better off in work due to the work allowance, but after taking into consideration costs of taking up work, travelling to work, they felt the hours of work were below the hourly rate they would expect, they were worried about the effect on their health and subsequent support." - Citizens Advice adviser

Ultimately, though, what Figure 1 makes clear, is that the work allowance can be an important incentive in making the often difficult transition into work for disabled people feel more financially worth it.

The future of the work allowance

Although the work allowance provides an important financial incentive for disabled people to move into work, the government's proposals in the Pathways to Work Green Paper will limit disabled people's access to this support.

The green paper proposes abolishing the WCA in 2028/2029. In its place, it proposes that receipt of the daily living component of PIP will become the sole gateway to the UC health element - which will be replacing the existing LCW and LCWRA categories. There are almost 50,000 people who claim UC health but not PIP daily living.²² This would mean that, if this change came into force today, nearly 50,000 people could, as a result of these changes, lose access to UC health and therefore a work allowance.

50,000 people is a conservative estimate. Many more people receive UC with LCW or LCWRA but do not receive any PIP, and would therefore lose access to UC health and the work allowance if the WCA were scrapped today. However, it's also possible that some of these people might apply for PIP and be awarded the daily living component in the future. An unpublished FOI²³ does suggest that nearly 584,000 people would lose access to UC health and the work allowance, because as of November 2024, these individuals were receiving ESA or UC health but had their application rejected for the PIP daily living payment.

²² Citizens Advice's analysis of Stat-Xplore. As of February 2025, there were 48,727 people who received a LCW or LCWRA element of UC, and were in receipt of PIP but had a nil award for PIP daily living.

²³ Chaminda Jayanetti (2025) [Labour's next round of benefit cuts risks hitting 600,000 disabled people](#), Big Issue.

Ultimately, this change means removing a major work incentive from people who are currently assessed as having limited capability for work in the UC system.

Recommendation:

We recommend that the DWP establish a mechanism to ensure those who would qualify for a LCW or LCWRA element, but under the upcoming WCA reforms would not qualify for the UC health element, can still access a work allowance.

More broadly, rather than further restricting access to the work allowance, the DWP should be looking to expand disabled people's access to it. Especially given how many disabled people are already struggling to access it due to challenges qualifying for a LCW or LCWRA element. Expanding access to the work allowance could therefore serve as an effective policy tool as part of the government's broader efforts to support more disabled people into employment.

Recommendation:

We recommend that access to the work allowance be broadened to include a wider range of disabled people, beyond those currently eligible for LCW, LCWRA, or, under future arrangements, the UC health element. For example, eligibility could be extended to anyone with a valid fit note and/or in receipt of PIP.

Where the work allowance could go further

The section above explores how the work allowance increases the financial return from work for disabled people. However, the work allowance is not without its flaws. In addition to the need to expand access - as previously discussed - the policy itself could be strengthened to make work even more financially rewarding for disabled people.

The work allowance compared to financial incentives in the legacy system

UC was introduced in 2013 and has been replacing legacy benefits including Employment and Support Allowance (ESA), income-based Jobseeker's Allowance (JSA) and Working Tax Credit (WTC). It was intended to simplify the benefits system and encourage work.²⁴ However, there are several ways UC lacks work incentives for disabled people when compared to the legacy system.

Under ESA, there are permitted work rules. These mean that if you work more than 16 hours a week, or earn over £195.50 a week, your ESA payments stop entirely.²⁵ UC improves on this cliff-edge system by reducing benefits gradually as earnings rise, rather than cutting them off suddenly at the 16-hour point. However, under ESA people could at least work up to 16 hours a week without any deductions from their benefits.²⁶ By comparison, an individual on UC will see their UC reduced after working 7.77 hours a week at NLW if they receive help with housing costs,²⁷ and 12.93 hours a week if they do not.²⁸

²⁴ Department for Work and Pensions (2015) [2010 to 2015 government policy: welfare reform](#).

²⁵ [Work you can do while getting ESA](#), Citizens Advice.

²⁶ Department for Work and Pensions (2025), [Permitted work factsheet](#).

²⁷ The work allowance is £411 per month if you receive help with housing costs. To get a proxy for a weekly work allowance, we used an unrounded month to week conversion ($52/12$). $£411 / (52/12) = £94.85$. In terms of hours, $£94.85 / £12.21$, which is NLW, is 7.77. So someone's UC would start to decrease after working 7.77 hours a week at NLW.

²⁸ The work allowance is £684 per month if you don't receive help with housing costs. To get a proxy for a weekly work allowance, we used an unrounded month to week conversion ($52/12$). $£684 / (52/12) = £157.85$. In terms of hours, $£157.85 / £12.21$ which is NLW, is 12.93. So someone's UC would start to decrease after working 12.93 hours a week at NLW.

Another work incentive that UC lacks in comparison to the legacy system, is the additional element for the disabled worker that existed under WTC. This additional element was £3,935 a year and paid if someone worked at least 16 hours a week, got a benefit such as PIP, or ESA before starting work, and had a disability which put them at a disadvantage in getting a job.²⁹ This acknowledged that disabled people often face additional costs and disadvantages in finding and keeping a job. The extra payment helped level the playing field. It also provided a tangible financial reward that made moving into work more attractive and sustainable.

It's arguable that as a work incentive for disabled people, the work allowance under UC offers significantly less encouragement to work compared to a number of mechanisms in the legacy benefits system.

Cuts to the higher work allowance

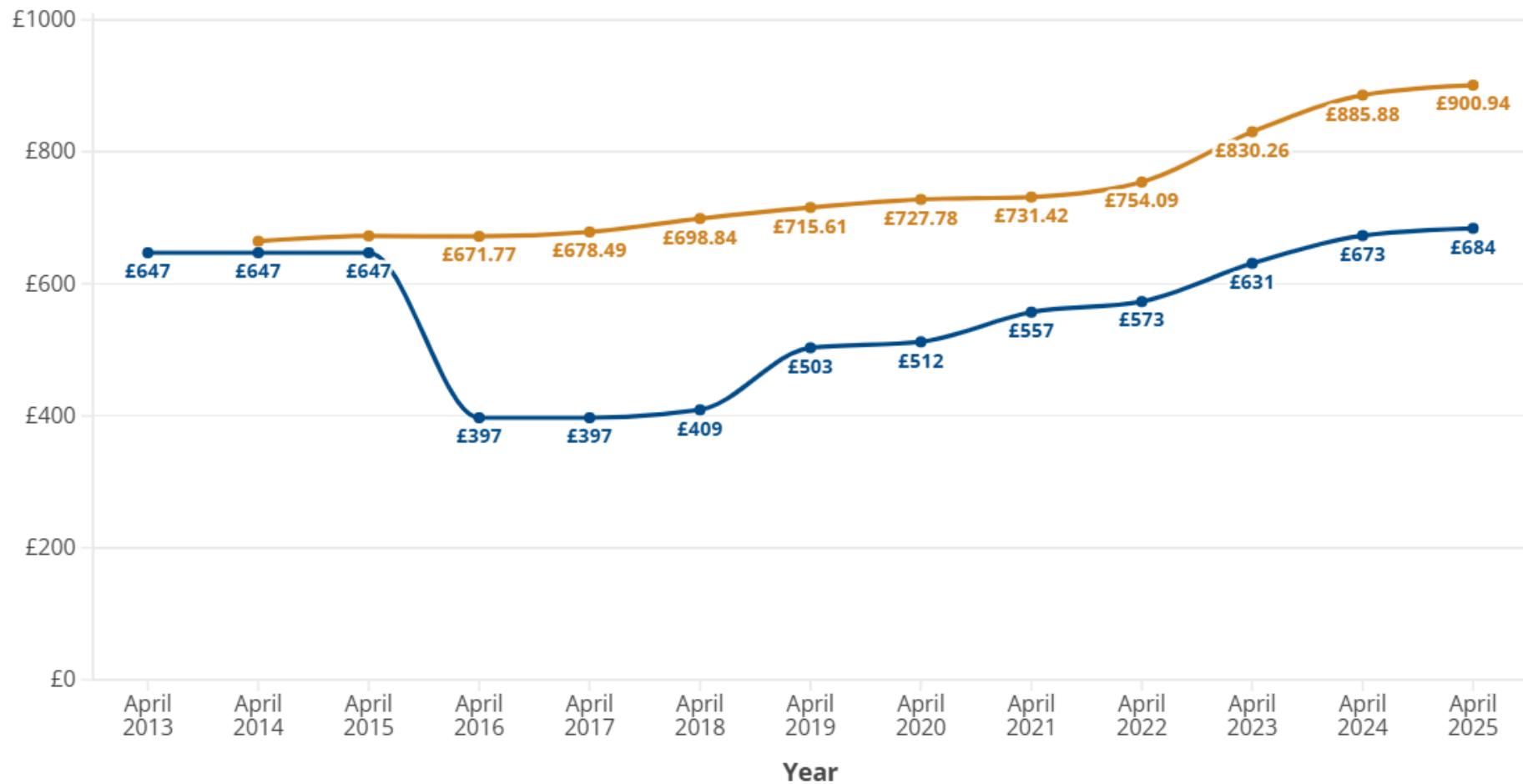
The higher work allowance - which is paid to people not in receipt of support with their housing costs - was cut at the 2015 Summer Budget from £647 to £397. Despite the boost to work allowance rates at the 2018 Budget, Figure 2 shows how this failed to restore the higher work allowance rate to what it would have been had it not been cut and instead been kept at the 2014 level (adjusted for inflation).

²⁹ Child Poverty Action Group in Scotland (2024) [Tax Credits - Moving on to Universal Credit](#).

Figure 2: What the actual value of the higher work allowance would be had it not been cut

■ The actual value of the higher work allowance ■ What its value would have been had it not been cut

Value of the work allowance



27% of those with LCW and 34% with LCWRA are entitled to the higher work allowance, due to not being in receipt of support with housing costs.³⁰ That's 723,733 people³¹ eligible for a work allowance which, because of cuts, now lets them keep less of their earnings in real terms than when it was introduced. As a result, their incentive to work more hours or take higher-paid jobs is reduced.

In contrast, the lower work allowance was not subject to the same cuts in the 2015 Budget. As a result, it benefitted more from the increases introduced in the 2018 Budget, leaving those eligible with a more generous rate than they had before the Summer Budget 2015. In Figure 3, we see how the lower work allowance has actually increased beyond what its value would have been had it just been uprated in line with CPI inflation every year since it was introduced in 2013.

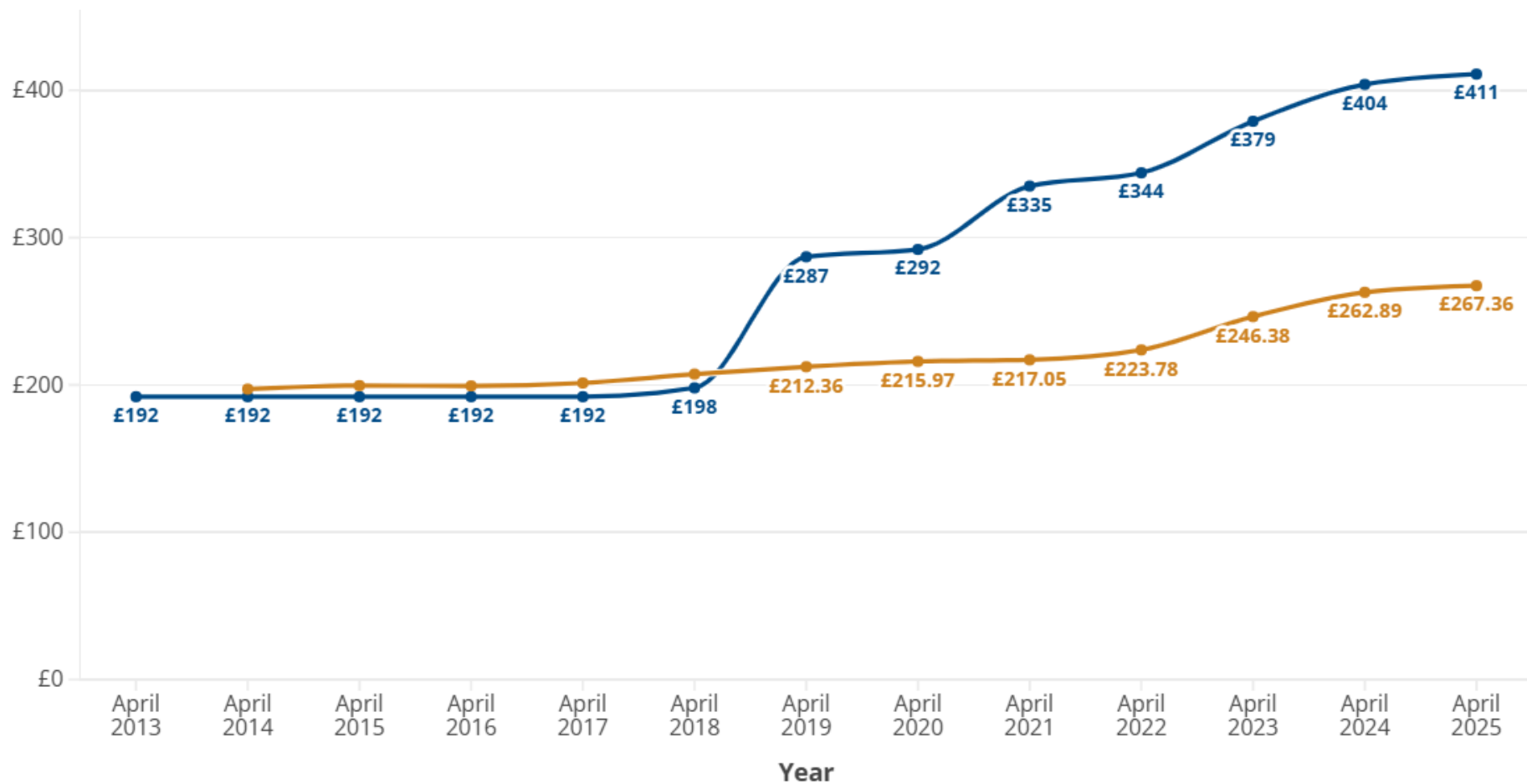
³⁰ Citizens Advice's analysis of Stat-Xplore.

³¹ Citizens Advice's analysis of Stat-Xplore.

Figure 3: What the actual value of the lower work allowance would be had it just kept pace with inflation

■ The actual value of the lower work allowance ■ What its value would have been had it been updated in line with CPI

Value of the work allowance



More people qualify for the lower than the higher work allowance (73% of those awarded LCW and 66% of those awarded LCWRA).³² And those on the higher allowance can still keep more of their benefits before they start to taper. However, it remains unfair that because of past cuts, some disabled people now keep less of their earnings in real terms than they did when work allowances were introduced - depending on whether or not they receive help with housing costs.

The impact of increasing the work allowance

We have looked at how much better off Elif would be if the higher work allowance had not been cut and instead been kept at the 2014 level (adjusted for inflation). If the work allowance for those without help for housing costs had been kept at the 2014 level and adjusted for inflation, it would now be £900.94. Someone would therefore be able to work 17.03 hours a week at NLW before their UC started to reduce.³³

Figure 4 builds on the modelling in Figure 1 and shows what additional monthly income Elif would receive if she moved into work for varying hours - after accounting for outgoing costs again - if she was in receipt of the higher work allowance and this was £900.94. The housing element and her rent are not included in this modelling, because those who receive the higher work allowance do not get housing support through UC.

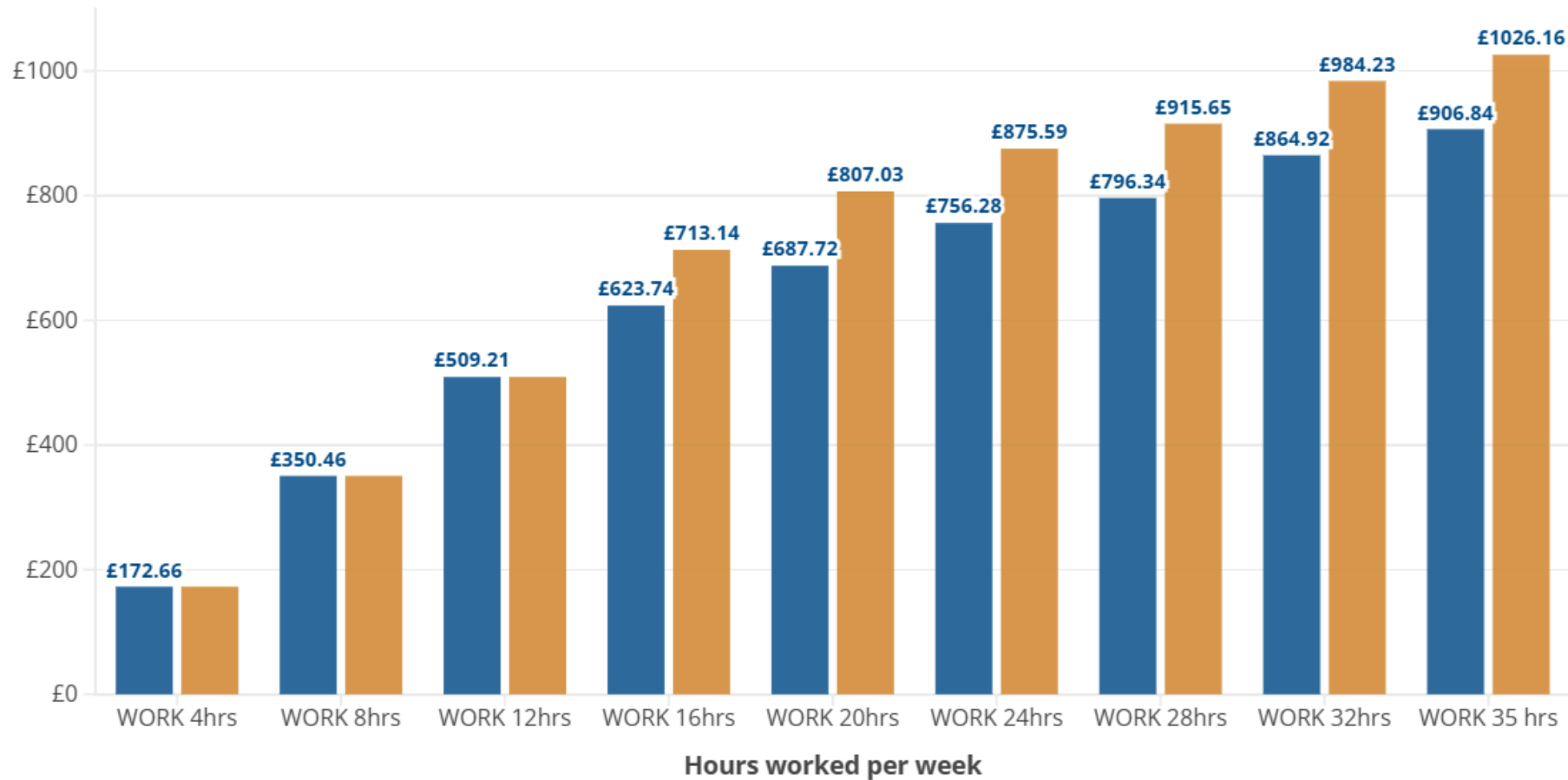
³² Citizens Advice's analysis of Stat-Xplore.

³³ To get a proxy for a weekly work allowance, we used an unrounded month to week conversion (52/12). $\text{£}900.94 / (52/12) = \text{£}207.91$. In terms of hours, $\text{£}207.91 / \text{£}12.21$, which is NLW, is 17.03. So someone's UC would start to decrease after working 17.03 hours a week at NLW.

Figure 4: The additional income Elif would receive if she moved into work and received the current higher work allowance, compared to if the higher work allowance had been kept at the 2014 level (adjusted for inflation)

■ Existing higher work allowance (£684) ■ Modelled higher work allowance (£900.94)

Additional income if in work



If Elif had access to this new work allowance rate, she would keep £119.32 more of her earnings each month than if she was in receipt of the work allowance at its current rate.³⁴ As we see in Figure 4, this means that if she was working 35 hours a week, she would be £1026.16 better off in work, compared to being £906.84 better off in work under the existing higher work allowance.

It's clear that increasing work allowance rates can be an impactful way to make work more financially advantageous to disabled people. We recognise this would come at a cost, and that cuts to work allowances have previously been used to save money. But at a time when the government is seeking to encourage more disabled people into work, using the work allowance to improve disabled peoples' financial returns from work should be seen as an important policy lever.

Recommendation:

The government should consider increasing the value of the work allowance to encourage more people to enter employment or increase their hours, allowing them to keep more of their benefits before these start to be reduced.

³⁴ We've subtracted the existing higher work allowance (£684) from the new work allowance (£900.94), giving £216.94. We then multiply this by 0.55 (the taper rate), which gives £119.32.

The risk of losing access to benefits

The above sections looked at what people's monthly income would be if they moved into work for varying hours a week. However, what this fails to reflect is the fact that moving into work can also put people's benefits at risk, which can provide an additional barrier to disabled people feeling like work is a financially appealing option.

We support people who have been unable to access a LCW element of UC or been denied PIP because they are working. For those already receiving these health and disability benefits, the situation can also be difficult. While UC does not technically limit the number of hours someone with an LCW element can work (unlike legacy benefits), many of the people we help have had their LCW element or PIP withdrawn due to inferences made on the basis of their employment.

The fear of losing health and disability benefits

As we outlined above, too many people have to fight to get the health and disability benefits they are entitled to. The stakes are therefore high when it comes to protecting this vital income, not least because of how transformative the additional income they provide is. For example, the disabled people we help with debt are 12 percentage points more likely to be in a negative budget - where your monthly income isn't enough to cover your essential costs - if they don't receive PIP.³⁵ It's unsurprising that many of the disabled people we support are reluctant to try work in case the DWP uses it as a reason to withdraw their health and disability benefits.

"I have had clients who have been thinking that they could do a bit of work, or wanted to try, but felt unable to do so, as they would lose access to their benefits and due to the issues with and time it takes to reapply and get this again if they were unable to work, it wasn't worth the hassle of going through a trial for work." - Citizens Advice adviser

³⁵ Rose M, Anns V and Collerton S (2025) [Pathways to Poverty: How planned cuts to disability benefits will impact the people we support](#), Citizens Advice.

“Client sought advice from their Work Coach about doing some part time work and the client was told that if they did that they would lose the LCWRA component as it would deem them fit for work.”- Citizens Advice adviser

One of the more positive proposals in the Pathways to Work green paper,³⁶ therefore, is to establish in law the principle that commencing paid employment in and of itself will not lead to a PIP award review or WCA reassessment. This protection should last long enough to cover probation periods, which often run up to six months. And recognising that disabled people may face extended probation periods if managing a disability at work proves challenging, a minimum of 12 months’ protection would be more appropriate. Extending this to 18 months would be even better, giving people greater stability, helping them navigate the uncertainties of their first year in work, and ensuring their safety net is not removed too soon.

This measure alone will also not be sufficient to address the concerns those we help face about losing health and disability benefits if they try work, though. While engagement with work might not trigger an immediate reassessment, we regularly support people where inferences are made about someone’s disability on the basis of their employment. And this regulation provides no protection against inferences being made at routine reassessments, or any future assessments that individuals attend.

“People are worried about how this [work] will affect them, and how it may affect how PIP reassesses them etc.”- Citizens Advice adviser

An example of these inferences is evident with the case of our client who works as a teacher and requires multiple adjustments in her workplace due to her ADHD and autism. She applied for PIP, and was rejected. Her decision notice gave limited reasons but did make inferences about her ability to carry out certain activities at work. For example, the decision-maker noted that her being able to work most days suggests “good communication” and “motivation”, with no reference to the challenges she faces with this, and the fact she requires significant reasonable adjustments.

Many disabled people are only able to undertake some work in specific circumstances, and using someone’s employment as a reason to deny them a

³⁶ Department for Work and Pensions (2025) [Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper](#).

disability benefit, undermines the reality of their capacity for work, and in many instances makes work less accessible.

In addition to the risk of losing the extra income from health and disability benefits, people receiving the LCW or LCWRA element would also lose their work allowance if those benefits were withdrawn. This creates a perverse contradiction: disabled people who try work risk losing one of the main mechanisms that makes working financially worthwhile.

Recommendation:

Individuals - whether entering voluntary or paid work - should be able to keep their existing benefit entitlements, even if their earnings from paid work are high enough to stop their UC payments. They should not be called for reassessment for at least six months, and ideally for up to 18 months.

Recommendation:

In addition to ensuring that working doesn't trigger a reassessment, a right to try should also protect people from having their employment used as a reason to deny them access to health and disability benefits, or held against them in future assessments.

The 16 hour earnings rule

New applicants generally can't be assessed under the WCA if they are earning equal to, or more than the equivalent of 16 hours per week at the hourly minimum wage. An exception to this applies if the person is already receiving Disability Living Allowance, PIP, or Attendance Allowance. However, in reality, we see people whose engagement with work is used to deny them access to a WCA despite earning less than 16 times the hourly minimum wage.

Luca's* Story

Luca has multiple mental and physical health conditions, including fibromyalgia, chronic fatigue, anxiety, and depression. He's able to work 12 hours a week in a computer-based, non-customer-facing role in a shop. Recently, Luca applied for PIP and also tried to claim UC. However, the Jobcentre told him that his earnings (£11.75 per hour) would largely eliminate any entitlement. They also failed to inform him about the work allowance, which could have increased his entitlement. When Luca asked to undergo a WCA to determine if he has LCW or LCWRA, he was incorrectly told he wasn't eligible because he was in employment - despite earning less than the equivalent of 16 hours a week at National Minimum Wage (which at the time was £183.04 per week).

*All names have been changed

What's more, the 16 hour earnings rule in and of itself is a blunt instrument. There's a significant difference between being able to work 16 hours a week, and being able to work 35. However, the system as it stands essentially conflates having a condition that means you can work 16 hours a week, with being fit to work 35 hours. As a result, someone with a disability who can manage 16 hours of work per week may be deemed fit for full-time work, making them ineligible for LCW or LCWRA.

In Figure 5, we adapt the model we used to look at how Elif's income would change if they moved into work.³⁷ We've applied this to a fictional client, Freya, to explore whether moving into work would be financially worthwhile for them.

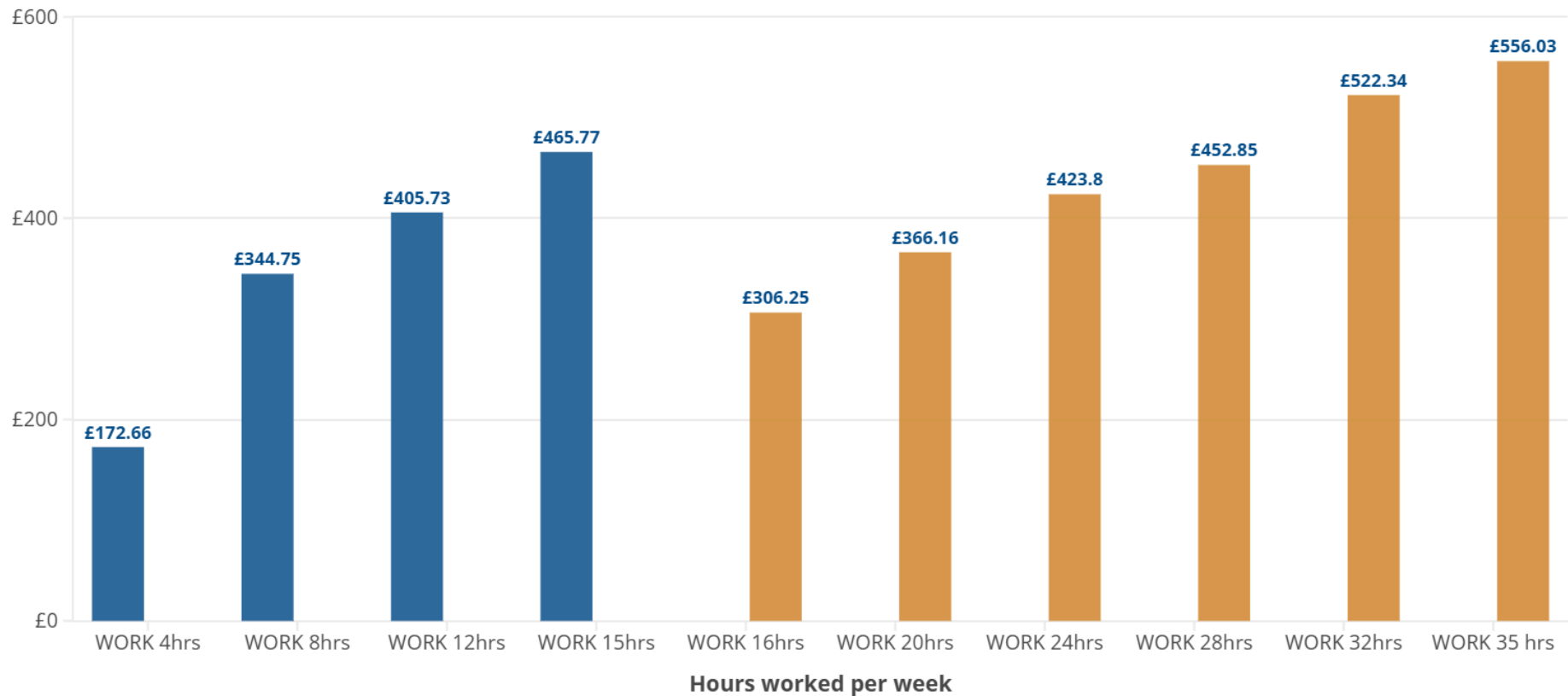
Freya has not yet applied for LCWRA or been awarded a work allowance, and they don't have PIP and therefore aren't exempt from the 16 hour earnings rule. We compare what additional income they would receive from moving into work according to two scenarios: (1) working fewer than 16 hours a week at NLW, and therefore being eligible for and in receipt of LCWRA (with the associated work allowance) and (2) working 16 hours or more at NLW and therefore not being eligible for nor in receipt of LCWRA and the associated work allowance.

³⁷ The outgoing costs are all the same, and the only thing that's changed about the benefit income composition, is that they are no longer entitled to PIP.

Figure 5: The additional income Freya would receive if they moved into work for fewer than 16 hours and received LCWRA and the work allowance, compared to if they worked 16 hours or over and did not receive these allowances

- Working fewer than 16 hours a week and receiving LCWRA and work allowance
- Working 16 hours or more a week and not being able to access LCWRA or work allowance

Additional income if in work



Here we see how pivotal the work allowance, and additional LCWRA rate, is to people's income. For example, Freya working 16 hours a week at the NLW would only be £306.25 a month better off in work without access to the LCWRA element and work allowance. By contrast, their monthly take-home income would be £159.52 more (£465.77) if they worked 15 hours a week at the NLW, but received LCWRA and the associated work allowance because they hadn't fallen foul of being eligible for this through the 16 hour earnings rule.

For someone whose condition means they might be able to work around the 16 hour mark, it's clear how they might be more encouraged to work fewer than 16 hours and secure their ability to receive a LCW or LCWRA element, than work 16 hours or more and not be eligible for this.

Considering that for some people working these hours could place a potential strain on a person's health - along with other challenges disabled people may face, such as job insecurity and unstable income - it's understandable that some may feel the transition isn't worth it.

Recommendation:

The DWP should move away from blunt measures such as the 16-hour earnings rule when assessing a person's capacity for work, and take a more flexible approach to assessing whether and how much someone can work.

The loss of other passported benefits

The 16 hour rule isn't the only arbitrary threshold within the benefit system. For example, carers - who are more likely than non-carers to be disabled³⁸ - must spend at least 35 hours a week caring for someone, and not earn more than £196 a week, to be eligible for Carers Allowance. This can create a barrier to increasing work hours or taking on a job, as the potential loss of Carer's Allowance can be difficult to offset financially.³⁹ There's also the eligibility limit for free NHS prescriptions, which is income of £435 per month, or £935 if UC includes the child or health element. For those with health conditions and

³⁸ Carers UK (2025) [Facts about carers](#) (last updated March 2025).

³⁹ Maughan C et al (2022) [Unpaid carers and employment](#), Carers Trust.

disabilities that require regular medication, the fear of losing such support can be a significant factor when considering work.⁴⁰

Eleanor's* Story

Eleanor is in her late 50s and works part-time. She is a carer for her mother and has her own health problems. She came to us querying a recent charge for dental care, as she thought she had been eligible for free treatment. It turned out she was slightly over the £435 limit and had to pay £25 for the treatment, together with a £100 penalty charge. Our adviser told her she could appeal the charge but she decided not to. We also helped her apply for the NHS low income scheme, which operates in addition to free prescriptions. Eleanor now feels deterred from working more hours as she's afraid of medical costs in the future.

*All names have been changed

While this section has mainly focused on the risks to people's health and disability benefits, it's important to recognise that this is only part of the picture. Many of the disabled people we support must also weigh up how moving into work could impact on other forms of support. For many, the decision to take up work is therefore not only about managing disability-related entitlements, but also about safeguarding the broader network of benefits that they rely on.

⁴⁰ Jagna Olejniczak (2025) [Work incentives aren't working: Is the Universal Credit review asking the right questions?](#) Citizens Advice.

Conclusion

The elements of our social security system designed to increase the financial benefits of work for disabled people are not achieving their full potential. For many, the modest financial gain from employment doesn't outweigh the potential impact on their health or the risk of losing other essential support. While financial barriers are rarely the only obstacles disabled people face, they often contribute to and exacerbate other challenges.

Financial barriers are also among the issues the government is best placed to address. By improving the financial returns from work, the government could create a stronger foundation for disabled people to engage in employment. This could include widening access to the work allowance and increasing its value, ensuring benefits income is better protected. In addition, the upcoming "right to try" legislation could be expanded so that engaging with work safeguards health and disability benefits not only at reassessments, but also at routine and future assessments.

However, progress so far has been limited. The government appears to be focused on cutting the already limited financial support available to disabled people. This short-term cost-cutting approach is unlikely to achieve the longer-term goal of increasing disabled people's employment. As long as the priority remains balancing the books rather than investing in the support needed for disabled people to enter and thrive in work, the desired outcomes will remain out of reach.

Annex

Incoming and outgoing costs for Figure 1

If in receipt of LCWRA and the work allowance

	NO WORK	WORK 4hrs	WORK 8hrs	WORK 12hrs	WORK 16hrs	WORK 20hrs	WORK 24hrs	WORK 28hrs	WORK 32hrs	WORK 35 hrs
<i>Income</i>										
UC SA	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14
UC LCWRA	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27
UC HE	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03
PIP	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23
CTS	£106.43	£86.45	£53.65	£38.39	£35.06	£20.02	£9.06	£0.00	£0.00	£0.00
Earnings	£0.00	£211.64	£423.28	£634.92	£846.56	£1,055.43	£1,207.79	£1,360.15	£1,512.55	£1,626.82
UC deduction for earnings	£0.00	£0.00	£-6.75	£-123.15	£-239.55	£-354.43	£-438.23	£-522.03	£-605.85	£-668.70
<i>Outgoings</i>										
Rent	£-1,095.00	£-1,095.00	£-1,095.00	£-1,095.00	£-1,095.00	£-1,095.00	£-1,095.00	£-1,095.00	£-1,095.00	£-1,095.00
Council tax (with single persons)	£-112.89	£-112.89	£-112.89	£-112.89	£-112.89	£-112.89	£-112.89	£-112.89	£-112.89	£-112.89

discount)										
Dual fuel	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00
Water	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05
Care and health costs	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33
Transport and travel	-£217.76	-£236.76	-£236.76	-£255.76	-£255.76	-£274.76	-£274.76	-£303.26	-£303.26	-£312.76
Communications and leisure	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10
Food and housekeeping	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33
Personal costs	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33
MONTHLY INCOME	£51.31	£223.97	£396.06	£457.04	£548.95	£608.90	£666.50	£697.50	£766.08	£808.00
ADDITIONAL INCOME FROM BEING IN WORK		£172.66	£344.75	£405.73	£497.64	£557.59	£615.19	£646.19	£714.77	£756.69

If fit for work and without a work allowance

	NO WORK	WORK 4hrs	WORK 8hrs	WORK	WORK	WORK	WORK	WORK	WORK	WORK 35
--	---------	-----------	-----------	------	------	------	------	------	------	---------

				12hrs	16hrs	20hrs	24hrs	28hrs	32hrs	hrs
<i>Income</i>										
UC SA	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14
UC HE	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03
PIP	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23
CTS	£106.43	£105.08	£89.83	£74.62	£71.20	£56.16	£45.20	£34.23	£23.27	£15.04
Earnings	£0.00	£211.64	£423.28	£634.92	£846.56	£1,055.43	£1,207.79	£1,360.15	£1,512.55	£1,626.82
Benefit cap	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
UC deduction for earnings	£0.00	-£116.40	-£232.80	-£349.20	-£465.60	-£580.48	-£664.28	-£748.08	-£831.90	-£894.75
<i>Outgoings</i>										
Rent	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00
Council tax (with single persons discount)	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89
Dual fuel	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00
Water	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05
Care and health costs	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33
Transport and travel	-£217.76	-£236.76	-£236.76	-£255.76	-£255.76	-£274.76	-£274.76	-£303.26	-£303.26	-£312.76

Communica tions and leisure	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10
Food and housekeepi ng	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33
Personal costs	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33
MONTHLY INCOME	-£371.96	-£297.07	-£217.08	-£156.05	-£64.23	-£4.28	£53.32	£82.41	£140.03	£173.72
ADDITIONAL INCOME FROM BEING IN WORK		£74.89	£154.88	£215.91	£307.73	£367.68	£425.28	£454.37	£511.99	£545.68

Incoming and outgoing costs for Figure 4

If in receipt of the existing higher work allowance

	NO WORK	WORK 4hrs	WORK 8hrs	WORK 12hrs	WORK 16hrs	WORK 20hrs	WORK 24hrs	WORK 28hrs	WORK 32hrs	WORK 35 hrs
<i>Income</i>										
UC SA	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14
UC LCWRA	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27
PIP	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23
CTS	£106.43	£86.45	£52.61	£18.72	£11.01	£0.00	£0.00	£0.00	£0.00	£0.00
Earnings	£0.00	£211.64	£423.28	£634.92	£846.56	£1,055.43	£1,207.79	£1,360.15	£1,512.55	£1,626.82
UC deduction for earnings	£0.00	£0.00	£0.00	£0.00	-£89.40	-£204.28	-£288.08	-£371.88	-£455.70	-£518.55
<i>Outgoings</i>										
Council tax (with single persons discount)	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89
Dual fuel	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00
Water	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05
Care and health costs	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33

Transport and travel	-£217.76	-£236.76	-£236.76	-£255.76	-£255.76	-£274.76	-£274.76	-£303.26	-£303.26	-£312.76
Communications and leisure	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10
Food and housekeeping	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33
Personal costs	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33
MONTHLY INCOME	£296.28	£468.94	£646.74	£805.49	£920.02	£984.00	£1,052.56	£1,092.62	£1,161.20	£1,203.12
ADDITIONAL INCOME FROM BEING IN WORK		£172.66	£350.46	£509.21	£623.74	£687.72	£756.28	£796.34	£864.92	£906.84

If in receipt of the higher work allowance and it was £900.94

	NO WORK	WORK 4hrs	WORK 8hrs	WORK 12hrs	WORK 16hrs	WORK 20hrs	WORK 24hrs	WORK 28hrs	WORK 32hrs	WORK 35 hrs
<i>Income</i>										
UC SA	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14
UC LCWRA	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27	£423.27
PIP	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23	£320.23

CTS	£106.43	£86.45	£52.61	£18.72	£11.01	£0.00	£0.00	£0.00	£0.00	£0.00
Earnings	£0.00	£211.64	£423.28	£634.92	£846.56	£1,055.43	£1,207.79	£1,360.15	£1,512.55	£1,626.82
UC deduction for earnings	£0.00	£0.00	£0.00	£0.00	£0.00	-£84.97	-£168.77	-£252.57	-£336.39	-£399.23
<i>Outgoings</i>										
Council tax (with single persons discount)	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89
Dual fuel	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00
Water	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05
Care and health costs	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33
Transport and travel	-£217.76	-£236.76	-£236.76	-£255.76	-£255.76	-£274.76	-£274.76	-£303.26	-£303.26	-£312.76
Communications and leisure	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10
Food and housekeeping	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33
Personal costs	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33

MONTHLY INCOME	£296.28	£468.94	£646.74	£805.49	£1,009.42	£1,103.31	£1,171.88	£1,211.94	£1,280.52	£1,322.44
ADDITIONAL INCOME FROM BEING IN WORK		£172.66	£350.46	£509.21	£713.14	£807.03	£875.59	£915.65	£984.23	£1,026.16

Incoming and outgoing costs for Figure 5

If working up to 15 hours a week with LCWRA and a work allowance

	NO WORK	WORK 4hrs	WORK 8hrs	WORK 12hrs	WORK 15hrs
<i>Income</i>					
UC SA	£400.14	£400.14	£400.14	£400.14	£400.14
UC LCWRA	£423.27	£423.27	£423.27	£423.27	£423.27
UC HE	£850.03	£850.03	£850.03	£850.03	£850.03
CTS	£106.43	£86.45	£53.65	£38.39	£27.00
Earnings	£0.00	£211.64	£423.28	£634.92	£793.65
UC deduction for earnings	£0.00	£0.00	-£6.75	-£123.15	-£210.45
<i>Outgoings</i>					
Rent	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00
Council tax (with single persons discount)	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89
Dual fuel	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00
Water	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05
Care and health costs	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33

Transport and travel	-£217.76	-£236.76	-£236.76	-£255.76	-£255.76
Communications and leisure	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10
Food and housekeeping	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33
Personal costs	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33
MONTHLY INCOME	-£268.92	-£96.26	£75.83	£136.81	£196.85
ADDITIONAL INCOME FROM BEING IN WORK		£172.66	£344.75	£405.73	£465.77

If working 16 hours or over a week and not having LCWRA or a work allowance

	NO WORK	WORK 16hrs	WORK 20hrs	WORK 24hrs	WORK 28hrs	WORK 32hrs	WORK 35 hrs
<i>Income</i>							
UC SA	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14	£400.14
UC HE	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03	£850.03
CTS	£106.43	£48.97	£33.89	£22.97	£11.96	£12.87	£4.64
Earnings	£0.00	£846.56	£1,055.43	£1,207.79	£1,360.15	£1,512.55	£1,626.82
Benefit cap	-£20.75	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
UC deduction for earnings	£0.00	-£465.60	-£580.48	-£664.28	-£748.08	-£831.90	-£894.75

<i>Outgoings</i>							
Rent	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00	-£1,095.00
Council tax (with single persons discount)	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89	-£112.89
Dual fuel	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00	-£97.00
Water	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05	-£27.05
Care and health costs	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33	-£43.33
Transport and travel	-£217.76	-£255.76	-£274.76	-£274.76	-£303.26	-£303.26	-£312.76
Communicatio ns and leisure	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10	-£92.10
Food and housekeeping	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33	-£290.33
Personal costs	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33	-£73.33
MONTHLY INCOME	-£712.94	-£406.69	-£346.78	-£289.14	-£260.09	-£190.60	-£156.91
ADDITIONAL INCOME FROM BEING IN WORK		£306.25	£366.16	£423.80	£452.85	£522.34	£556.03

Citizens Advice helps people find a way forward.

We provide free, confidential and independent advice to help people overcome their problems. We are a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

citizensadvice.org.uk



Published September 2025.

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.