

# Northern Ireland Personal Independence Payment Information Booklet

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## Introduction

1. This booklet provides information on the Personal Independence Payment and the potential impacts on the population of Northern Ireland.
  
2. The booklet details information on the following aspects of Personal Independence Payment (PIP):
  - Current system of DLA
  - Introduction of PIP.
  - Who could be affected by PIP
  - Potential impacts of PIP
  - Testing and Development of PIP Assessment Criteria
  - Impact on the DLA caseload
  - PIP in Great Britain
  - Projected new claim volumes to PIP in Northern Ireland
  - Financial impact of replacing DLA with PIP for working age claimants

## Headline Statistics

- One in 9 of the population in Northern Ireland are in receipt of DLA.
- In November 2010, DLA spend was £14,326,000 per week rising to £19,006,000 in November 2015
- PIP will affect only working age claimants (those aged 16-64 years).
- As of November 2015, 125,170 working age claimants may be affected by the introduction of PIP, however the vast majority will not start to be affected until December 2016.
- New payment rates for PIP have been set at equivalent levels to existing DLA rates.
- Following the testing of the PIP assessment criteria on a sample of 180 cases, it is estimated that 25% of DLA claimants will not be entitled to the new benefit.
- The total annual DLA payment to these 125,170 claimants is approximately £588 million. Based on the outcome of the 180 test cases the equivalent figure for PIP reduces to approximately £417 million annually.

## Disability Living Allowance - The Current System

1. Disability Living Allowance (DLA), which was introduced in 1992, is a tax free, non means tested and non contributory benefit that provides a cash contribution towards the extra costs for care and mobility needs arising as a result of an impairment or health condition. It is planned that Personal Independence Payment (PIP) will replace DLA from 20<sup>th</sup> June 2016 for eligible people of working age (16 to 64 years old).
2. Table 2.1 compares the proportion of the eligible population claiming DLA in Northern Ireland to each of the countries within Great Britain and Great Britain as a whole at May 2015.

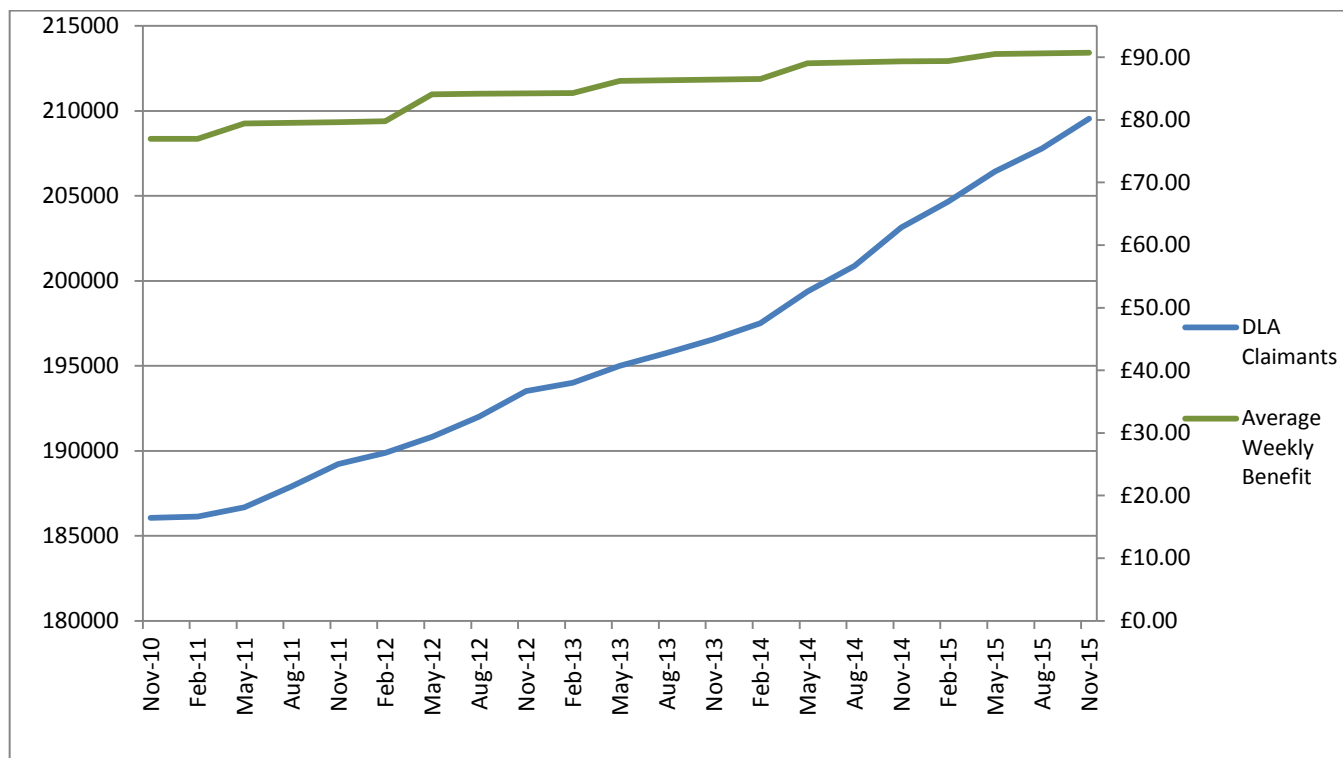
**Table 2.1 Proportion of the eligible population claiming DLA in Northern Ireland and Great Britain Regions, May 2015**

Country	Age range							
	Under 16		16-64		65 and over		Total	
	Claimants (000's)	% of eligible population	Claimants (000's)	% of eligible population	Claimants (000's)	% of eligible population	Claimants (000's)	% of eligible population
<b>Northern Ireland</b>	19.1	5.0%	123.5	11.0%	63.9	22.3%	206.4	11.2%
<b>England</b>	345.7	3.4%	1439.2	4.4%	778.9	8.2%	2563.7	4.7%
<b>Scotland</b>	32.1	3.5%	190.7	5.8%	104.7	10.4%	327.4	6.1%
<b>Wales</b>	21.6	3.9%	103.2	5.6%	90.9	14.8%	215.7	7.0%
<b>Great Britain</b>	399.3	3.4%	1733.0	4.6%	974.5	8.8%	3106.9	5.0%

Great Britain total includes 'claimants living abroad' as well as claimants who cannot be correctly allocated to a country, so totals may not sum.

3. Northern Ireland has 1 in 9 of the population in receipt of DLA, Wales is the closest in comparison to Northern Ireland with around 1 in 14 of the population in receipt of DLA. Great Britain overall has 1 in 20 of the population in receipt of DLA, however as PIP has been in operation from 2013 in Great Britain, no new claimants of working age have been added to the caseload and the figure excludes the 117,500 (at May 2015) existing DLA cases which have already been reassessed for PIP.
4. Chart 2.1 illustrates the number of people claiming DLA in Northern Ireland and the average weekly benefit paid from November 2010 until November 2015.

**Chart 2.1 DLA claimants and average weekly benefit paid from November 2010 to November 2015**



5. Table 2.2 details the increase in the number of DLA claimants, average weekly benefit and total weekly benefit paid over a 5 year period. It shows an increase of £4.7 million per week (over £240 million per year) when comparing these two points in time.

**Table 2.2 DLA claimants; average weekly and total weekly benefit paid from November 2010 to November 2015**

	Nov-10	Nov-15	Difference
<b>DLA Claimants</b>	186,070	209,550	23,480
<b>Average Weekly Benefit</b>	£77.00	£90.70	£13.70
<b>Total Weekly Benefit</b>	£14,326,000	£19,006,000	£4,680,000

6. Table 2.3 details the claim duration for existing DLA claimants. Three quarters of claimants have been receiving DLA for 5 years or more.

**Table 2.3 DLA claimants by duration of claim at November 2015**

Duration	Under 3 months	3 to under 6 months	6 to under 12 months	1 to under 2 years	2 to under 5 years	5 years or over	Total
<b>Nov-15</b>	1,200	3,260	7,250	14,390	29,040	154,400	209,550

Figures may not sum due to rounding

7. Under DLA there are two components; Care and Mobility. The Care component has three rates; high, middle and low. The Mobility Component has two rates, high and low.
8. Table 2.4 compares the proportion of DLA working age claimants by rate and component of claim between Northern Ireland and Great Britain.

**Table 2.4 Percentage breakdown of DLA Working Age Claimants by component and rate of claim**

<b>Rate and Component of Claim</b>	<b>NI Claimants</b>	<b>GB Claimants</b>
<b>Higher rate care and higher rate mobility</b>	15.8%	16.2%
<b>Higher rate care and lower rate mobility</b>	11.3%	8.6%
<b>Middle rate care and higher rate mobility</b>	19.6%	13.2%
<b>Middle rate care and lower rate mobility</b>	30.2%	21.9%
<b>Lower rate care and higher rate mobility</b>	4.7%	11.4%
<b>Lower rate care and lower rate mobility</b>	2.1%	10.9%
<b>Higher Rate Care Only</b>	0.4%	0.3%
<b>Middle rate care only</b>	5.5%	2.0%
<b>Lower rate care only</b>	5.8%	7.6%
<b>Higher rate mobility only</b>	2.6%	5.3%
<b>Lower rate mobility only</b>	2.1%	2.4%
<b>Total</b>	125,170	1,648,300

**Figures for Northern Ireland at November 2015 and May 2015 for Great Britain**

9. Great Britain and Northern Ireland have similar proportions of claimants on higher rate care; however Northern Ireland has a noticeably higher proportion of claimants receiving middle rate care in comparison to Great Britain, and a lower proportion receiving lower rate care.

## **Replacing Disability Living Allowance with Personal Independence Payment for working age claimants.**

10. The primary aims of PIP are the simplification of the benefit for claimants with disabilities, and ensuring it remains financially sustainable. A new assessment will be introduced as part of the claim process, which will enable an accurate, objective, consistent and transparent consideration of an individual's circumstances. Entitlement will depend on how a person's ability to carry out daily living and/or mobility activities is affected by their condition or disability, and not the condition or disability itself. The new benefit will have different entitlement criteria to DLA to better reflect today's understanding of disability. The new benefit should have a better balance to take into account the needs of those with mental health, intellectual, cognitive and developmental impairments. Through greater use of evidence, periodic review and reassessment the intention is that the new benefit will

enable a more accurate assessment of an individual's ongoing entitlement to make sure support is reaching those who need it most.

## Estimated number of people affected based on the current DLA caseload

11. Table 2.5 shows the estimated number of DLA claimants aged between 16 and 64 years who may be affected. These are the claimants who will be invited to claim PIP between June 2016 and December 2018, they will be reassessed for eligibility under the new PIP criteria.

**Table 2.5 Number of DLA claimants aged between 16 and 64 years**

DLA	Claimants
16-64 years	125,170

Figures at November 2015

## The likely impacts of introducing the Personal Independence Payment to replace Disability Living Allowance for working age claimants

12. The current planning assumption is that Northern Ireland claimants of working age (16 to 64 years old) who would have previously applied for DLA will make a claim to PIP from 20th June 2016. DLA claimants who report a change in their condition after 20<sup>th</sup> June, or have a fixed term award that is due to expire after 8<sup>th</sup> November 2016 will be invited to claim PIP; this is known as natural reassessment. The remaining DLA claimants who have an indefinite/lifetime award will be randomly selected for reassessment between December 2016 and December 2018.
13. DLA claimants who are aged 65 and over at 20<sup>th</sup> June 2016 will not be required to claim PIP and will continue receiving DLA as long as they satisfy the eligibility criteria. Existing DLA claimants who reach age 65 after 20<sup>th</sup> June 2016 will be invited to claim PIP.
14. PIP has not been extended to new or existing claims for children under 16 years, however, when a child reaches their 16<sup>th</sup> birthday they will be invited to make a claim to PIP. The 'Approaching age 16' process transitions young people from DLA to PIP at the age of 16. It is a business as usual process which will still be operative post the reassessment window (2016-2018). Children under 16 currently make up 9.5% of the DLA liveload.

## Entitlement to PIP

15. Entitlement to PIP will be based on how a person's condition affects their daily life, not the condition itself. This will vary from person to person. Under PIP there will be two components; Daily Living and the Mobility component. There will be two rates for each; Enhanced rate and Standard rate.



## Testing and Development of the PIP Assessment Criteria

16. To help develop the assessment criteria it was necessary to test the initial proposals and understand the effects they would have on disabled persons. The testing exercise which was UK wide involved sample assessments of volunteers from Northern Ireland who were receiving DLA at that time. Assessments were carried out by trained health professionals and involved face to face appointments with each volunteer. All volunteers were assured that the information collected would be treated with the strictest confidence; all records would be anonymous and destroyed once the results were analysed. As such the data sent back by the health professionals was completely anonymised and cannot be linked back to the DLA caseload.
17. In total 180 volunteers from Northern Ireland participated in the testing. These volunteers were randomly selected from a sample which was designed to be as representative as possible of the DLA caseload. In Great Britain 900 volunteers participated in the testing. The majority of these volunteers were selected by the same method as the Northern Ireland sample, but in addition Great Britain also selected several small samples of volunteers with specific conditions.
18. For both Northern Ireland and Great Britain the results were weighted to replicate the relative award rate combinations seen in the Disability Living Allowance caseload. Great Britain also took into account the over representation of the additional specific impairment groups within their sample.
19. The estimated impacts of the introduction of PIP on the reassessment caseload are based on the sample of 180 cases. As such they are subject to sampling variability and should be treated with caution. The sample was selected to be as representative as possible of the current DLA caseload; however the fact that the participants were volunteers may have introduced bias. Those whose impairments significantly limit their participation in activities outside their home may have been less likely to volunteer to take part in the exercise.
20. In the early part of 2012, the Department for Work and Pensions launched a consultation which sought feedback on the PIP assessment criteria. DSD issued the consultation document at the same time. In total, over 1,000 responses were received from disability organisations and individuals, 21 of which came from Northern Ireland. Following evaluation of all the feedback, a number of changes were made to the assessment criteria. The written reports from the original testing of the 180 cases were reassessed by the health professionals taking account of the new assessment criteria. Following this paper exercise, the results from the sample of 180 cases from Northern Ireland weighted to the actual Northern Ireland DLA caseload show 25% of claimants will no longer be entitled to the benefit. In Great Britain the estimated disallowance rate was 30%. Since PIP was introduced in Great Britain in July 2013 the actual disallowance rate is 26%.

## Impact on DLA Caseload of introducing Personal Independence Payment

21. During the reassessment window, the 125,170 DLA claimants will be reassessed because their DLA fixed term award has expired during this time (12,780 claimants), they report a change in their condition (estimated 12,940) or they are invited to claim PIP (99,460 claimants).
22. Table 2.6 demonstrates the number of claimants who will undergo reassessment and the potential outcome to their benefit award under PIP. These estimates are based on the outcomes of the 180 individuals who underwent testing of the PIP assessment criteria.

**Table 2.6 Potential outcome of PIP award for Reassessment cases**

Potential outcome under PIP	Reassessed DLA claimants	
	Number	Proportion
<b>Award increased</b>	29,190	23.3%
<b>Award unchanged</b>	23,570	18.8%
<b>Award decreased</b>	41,120	32.9%
<b>No award</b>	31,290	25.0%
<b>Total</b>	125,170	100.0%

Figures may not sum due to rounding

23. The Department for Work and Pensions has published equivalent analysis. Table 2.7 details the outcome results from the 900 volunteers who participated in the PIP testing exercise in Great Britain. The proportion estimated to be disallowed in the Great Britain testing exercise was higher (30%) than that in Northern Ireland (25%).

**Table 2.7 Great Britain DLA reassessed Claimants and the likely outcome to their PIP award**

Potential outcome under PIP	Reassessed DLA claimants in Great Britain
	Proportion
<b>Award increased</b>	27.0%
<b>Award unchanged</b>	14.0%
<b>Award decreased</b>	29.0%
<b>No award</b>	30.0%

## Personal Independence Payment in Great Britain

24. On 8<sup>th</sup> April 2013 DWP started to replace Disability Living Allowance with PIP for people aged 16-64. At January 2016 in Great Britain, 692,000 people had a PIP claim in payment. Table 2.8 and 2.9 below detail the Daily Living and Mobility award breakdown for the 692,000 cases in payment. For new claim decisions 47% lead to a successful PIP award. For reassessment decisions ie. those with an existing DLA claim 74% resulted in a PIP award.

**Table 2.8 PIP Daily Living Awards in Great Britain at January 2016**

PIP Daily Living Award rate	Number of cases in payment	Percentage of total cases
Enhanced	320,500	46%
Standard	319,700	46%
No Award*	51,800	8%

Figures may not sum due to rounding  
 \* 'No Award' figure indicates those cases in payment with no Daily Living award and are entitled under Mobility only

**Table 2.9 PIP Mobility Awards in Great Britain at January 2016**

PIP Mobility Award rate	Number of cases in payment	Percentage of total cases
Enhanced	218,300	32%
Standard	222,500	32%
No Award*	251,300	36%

Figures may not sum due to rounding  
 \* 'No Award' figure indicates those cases in payment with no Mobility award and are entitled under Daily Living only

25. Tables 2.10 and 2.11 show the estimated proportion of the Northern Ireland reassessment caseload that may have a successful claim to PIP with an award of Enhanced rates of Daily Living and Mobility. It also shows the proportions of these reassessment cases that are estimated to be currently in receipt of the Higher rate of Care and Mobility under DLA. When the 125,170 cases are migrated it is estimated that 25% of the cases will be disallowed. This will result in 94,330 cases being awarded PIP. The tables below show that from the 94,330 cases 40,220 (42.6%) will be awarded the Enhanced Daily Living rate and 35,480 (37.6%) will be awarded the Enhanced Mobility rate.

**Table 2.10 Northern Ireland reassessment cases who are in receipt of DLA High Care and likely proportion who will receive Enhanced Daily Living under PIP**

<b>PIP Enhanced Daily Living</b>	<b>DLA High Care</b>
40,220	34,410
42.6%	27.4%

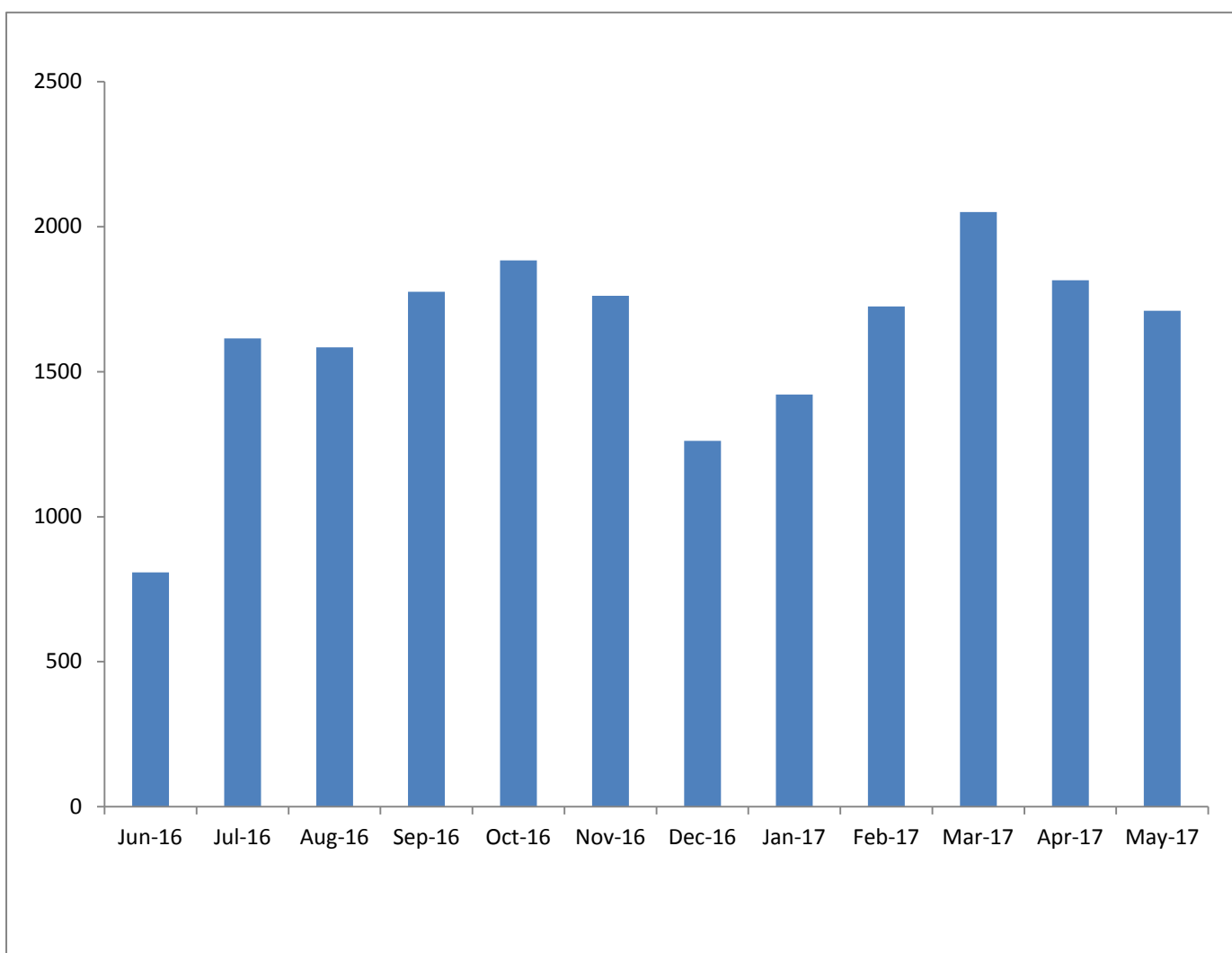
**Table 2.11 Northern Ireland reassessment cases who are in receipt of DLA High Mobility and likely proportion who will receive Enhanced Mobility under PIP**

<b>PIP Enhanced Mobility</b>	<b>DLA High Mobility</b>
35,480	53,490
37.6%	42.7%

## New claims to Personal Independence Payment in Northern Ireland

26. New claims to PIP in Northern Ireland are expected to begin from 20th June 2016. Chart 2.12 below details projected new claims to Personal Independence Payment (PIP) in Northern Ireland between June 2016 and May 2017. The projected new claims are based on actual DLA new claims received between November 2013 and October 2014. The assumption that 82% of these claimants will be working age (based on actual claims to DLA for the period mentioned) is then applied to the annual estimated figure. A percentage breakdown which factors in seasonality is used to obtain monthly figures from the projected annual new claims figure. By May 2017 a total of 19,400 new claims to PIP in Northern Ireland are forecast.

**Chart 2.12 Projected new claims to PIP in Northern Ireland between June 2016 and May 2017**



**Please note new claims for June 2016 are projected for part of the month only.**

## What is the likely financial impact of replacing DLA with PIP for working age claimants?

27. The benefit rates for PIP will be the same cash amount as their DLA equivalent. Therefore Enhanced Mobility and Standard Mobility will be the same rate as DLA High and Low Mobility. Enhanced Daily Living will be the same rate as DLA High Care and Standard Daily Living will be the same as DLA Middle care. Table 2.13 details the cash value of DLA awards in the current financial year of 2015/16 and the PIP awards for the financial year 2015/16.

**Table 2.13 Weekly rates for DLA in 2015/16 and PIP weekly rates in 2015/16**

<b>2015/16 DLA Rates</b>		<b>2015/16 PIP Rates</b>	
<b>Care Component</b>	<b>Weekly rate</b>	<b>Daily Living Component</b>	<b>Weekly Rate</b>
Highest rate	£82.30	Enhanced rate	£82.30
Middle rate	£55.10	Standard rate	£55.10
Lowest rate	£21.80		
<b>Mobility Component</b>	<b>Weekly rate</b>	<b>Mobility Component</b>	<b>Weekly rate</b>
Higher rate	£57.45	Enhanced rate	£57.45
Lower rate	£21.80	Standard rate	£21.80

28. Table 2.14 shows the total weekly benefit cost for the reassessment caseload under DLA is currently £11.3 million. The results from the 180 individuals who underwent the assessment criteria testing indicated that 25% of the caseload would no longer qualify for PIP. The reduction in benefit payment solely due to these disallowed claimants has been estimated at £147 million. However, the testing of the assessment criteria showed that claimants could also experience an increase or a decrease in their award or it could remain unchanged. The accumulated movement of these claimants has been applied to the whole reassessment caseload, further reducing the total weekly benefit cost to an estimated £8.0million. Based on the findings from the 180 sample cases, there would be projected savings of over £170 million for the reassessment caseload.

**Table 2.14 Total Weekly and Annual Benefit cost for Reassessment caseload under DLA and PIP**

	<b>Total Weekly Benefit</b>	<b>Weekly Savings</b>	<b>Total Annual Benefit</b>	<b>Annual savings</b>
<b>Current DLA Cost during 2014/15 for reassessment cases</b>	£11,301,000		£587,672,000	
<b>PIP cost incorporating movements between components and rates in 2014/15</b>	£8,023,000	£3,279,000	£417,186,000	<b>£170,485,000</b>

Please note DLA Total Weekly Benefit has taken into account any claimants who have currently had their payment suspended due to hospitalisation etc; PIP Total Weekly Benefit has been based on full entitlement to benefit.

## Mitigating Measures for those DLA claimants who are financially impacted as a result of the introduction of Personal Independence Payment

29. The majority of those who will be financially impacted by Welfare Reform in Northern Ireland, including those DLA claimants who are not entitled/receive a reduced award to PIP on reassessment, will receive a time-limited mitigation payment to help them adjust to a reduced entitlement. The report produced by the Welfare Reform Mitigations Working group is available at the link below:

<https://www.ofmdfmi.gov.uk/sites/default/files/publications/ofmdfm/welfare-reform-mitigations-working-group-report.pdf>