

MONEY AND
MENTAL HEALTH
POLICY INSTITUTE

Policy Note Number 33
June 2025

Authors: Kate Wells, Dan Weir, Conor D'Arcy

A photograph of a woman with long, straight blonde hair, wearing a dark blue crewneck sweater. She is looking down and slightly to her left with a somber or thoughtful expression. Her hands are resting on her lap. The background is out of focus, showing what appears to be a window with blinds.

“Lead shoes instead of a life ring”

How people with mental health problems will be
affected by proposed changes to PIP eligibility

Introduction

In March 2025, the government set out its plans for “reforming benefits and support to get Britain working.”¹ Some of the proposals, notably those related to support to help people into employment, are yet to be outlined in detail. There is undoubtedly a huge opportunity to help more people with mental health problems find and stay in work that meets their needs, as previous Money and Mental Health research has explored.² As they are firmed up, we will address the government’s plans on employment support in forthcoming publications. In this note, however, we focus on a pillar of the government’s plans where there is more clarity on its chosen approach, and which is set to have a serious impact on the living standards of millions of people.

The government intends to introduce a higher threshold for eligibility for the Personal Independence Payment (PIP). While the government and the Office for Budget Responsibility (OBR) have produced estimates of the overall effects of this change,³ less is known about how people with mental health problems – one of the groups discussed as being particularly targeted⁴ – will be affected. This paper aims to fill that gap. It is primarily based on a survey, carried out 2-8 May 2025, of 447 members of Money and Mental Health’s Research Community, a group of 5,000 people with personal experience of mental health problems. We also draw upon our past research, particularly of assessments for PIP.⁵

Together, it reveals a system which was already doing a poor job of understanding how mental health problems affect us practically. The planned changes will double down on that failure, by drawing a new arbitrary line between those who are deemed eligible and those who are not, with stark financial and mental health consequences for people set to lose out.

Limiting eligibility for PIP

While the government has announced plans for changes to a number of benefits, here we primarily discuss PIP. People aged 16⁶ and over can apply for PIP if they have a lasting health condition or disability that means they have difficulty completing daily tasks. PIP is intended to help with the extra costs that people can face as a result.

Unlike many benefits, it is not means-tested, meaning people’s income or employment status is not a consideration for entitlement. Eligibility is assessed based on what the applicant can or cannot do across a number of areas. These activities are split into two

¹ gov.uk, [Pathways to Work: Reforming Benefits and Support to Get Britain Working](#). March 2025. Accessed: 02/06/2025.

² D’Arcy C. [Untapped potential: Reducing economic inactivity among people with mental health problems](#). Money and Mental Health. 2023.

³ OBR, [Economic and fiscal outlook: March 2025](#). 2025.

⁴ See, for instance: <https://www.bbc.co.uk/news/articles/cd7ejvr3y0zo>

⁵ For more, see: Stacey B. [Submission to the Department for Work and Pensions consultation on Modernising support for independent living: the health and disability green paper](#). Money and Mental Health. 2024.

⁶ The government has also proposed changing the lower age limit to 18.

broad categories: mobility, where no changes to eligibility are proposed, and daily living, which we focus on here. The daily living section asks about your ability to do tasks like prepare meals, clean and dress yourself, communicate and make budgeting decisions. In each area, you receive a certain number of points per task depending on the level of assistance you require. While the precise scores vary across activities, in general if you don't require any assistance, you score zero points, and the more complete the support you need the higher the score. Currently, people with a higher combined score (12 points or above) across all the different areas receive the enhanced rate (just over £110 per week) and people who score between 8 and 11 points receive the standard rate (just under £74 per week).

The government's key proposal on PIP eligibility is, from November 2026, to limit access to only those who not only have an aggregate score of at least eight points across the categories and descriptors (which describe how much support someone needs), but also score four or more points in any single category, like preparing food or managing budgeting decisions. This means that those who need lower-level support with many tasks of daily living will lose out. As our research⁷ and that carried out by other organisations has highlighted, lower scores across several different categories can combine to have a serious impact on people's day-to-day life and bring additional costs. For example, in its response to a past consultation on this topic, Citizens Advice quoted one of its advisers who said "[s]coring low points across several descriptors still suggests that that claimant has significant difficulties with multiple activities most days. Therefore daily life could be impacted just as much as a claimant who scored highly in one area."⁸

Beyond the headline estimates from official sources – the OBR anticipates that 800,000 will lose access to PIP as a result⁹ – there is relatively little public information about who is most likely to be affected by this change. To help shed light on this question, we asked Research Community respondents how they scored in their most recent PIP assessment. It should be noted that the respondents are not a representative sample of PIP recipients or of people with mental health problems in general, although research from Citizens Advice¹⁰ has reached similar findings.

Among respondents who currently receive PIP due to daily living needs, one in four (24%) said they scored fewer than four points in any one category. While 37% said that they scored four or more points in at least one category and are not expected to be affected, the single largest group of respondents were those who said they didn't know (39%). As Figure 1 (next page) shows, among the 24% who look set to lose out as a result of these changes, nearly a third (or 7% of all respondents) are in receipt of the enhanced rate. They face a drop in income of which adds up to over £5,750 annually. The other 17% on the standard rate face a still significant income cut of over £3,850 per year.

⁷ Stacey B. [Submission to the Department for Work and Pensions consultation on Modernising support for independent living: the health and disability green paper](#). Money and Mental Health. 2024.

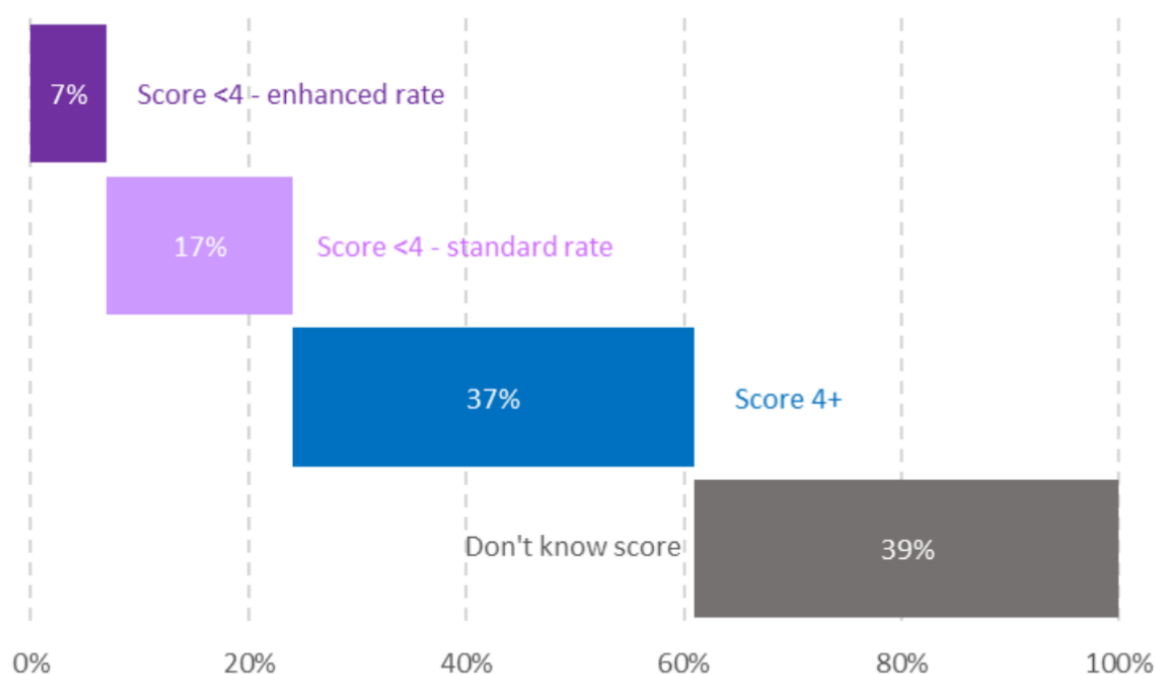
⁸ Rose M et al. [Modernising support for independent living: Citizens Advice response to the health and disability green paper](#). Citizens Advice. 2024.

⁹ OBR, [Economic and fiscal outlook: March 2025](#). 2025.

¹⁰ Rose M, Anns V and Collerton S. [Pathways to Poverty: How planned cuts to disability benefits will impact the people we support](#). Citizens Advice. 2025.

Figure 1: One in four respondents on PIP are set to lose thousands of pounds

Current PIP recipients by reported score in different daily living descriptors



Source: Money and Mental Health survey of 447 people with mental health problems, 2-8 May 2025.

Notes: Base: 227 people currently in receipt of PIP.

While government data¹¹ suggests people with common mental disorders like anxiety or depression are more likely to lose out from these changes than people with severe mental illness, respondents to our survey who appeared likely to lose out included people with bipolar disorder, PTSD, psychosis and other severe mental illnesses.

"If they stop PIP, then what's the point? My needs won't be met. I'd struggle to survive."

Expert by experience

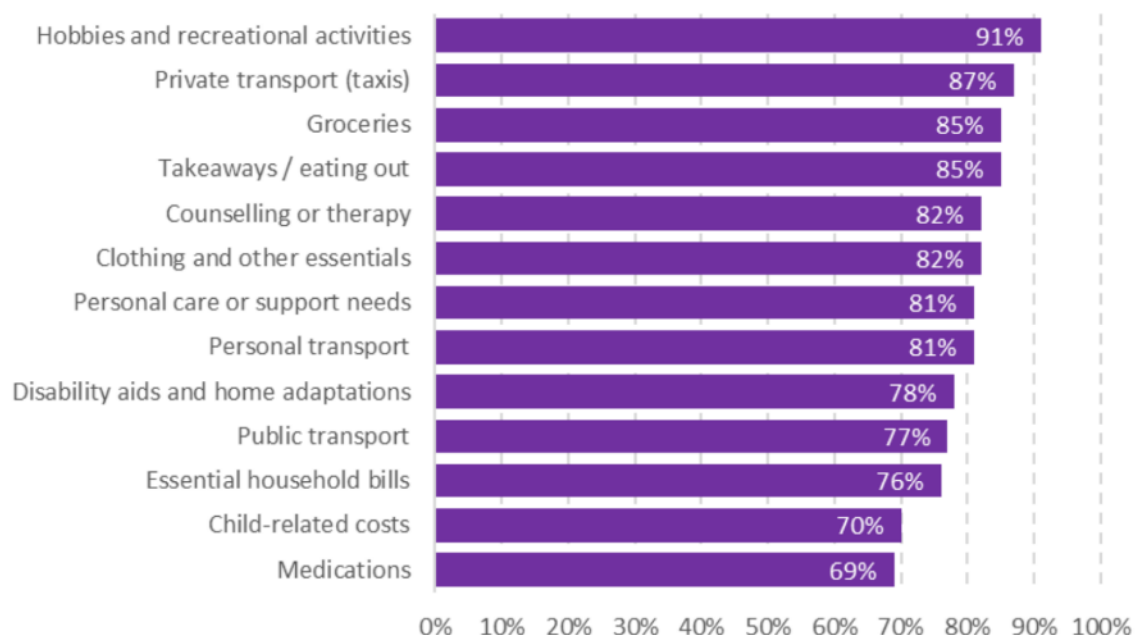
The impact of losing PIP

For those who appeared likely to lose eligibility for PIP, we next turned to how they would be affected. To understand this potential impact, we gave respondents a wide variety of options for spending and asked how their expenditure would change in response to losing PIP, which Figure 2 (next page) sets out. It shows that across these vital elements of daily life, those in line to be affected plan to make significant cuts to their spending or stop it altogether.

¹¹ gov.uk, [Evidence Pack: Modernising Support for Independent Living: The Health and Disability Green Paper](#), June 2024. Accessed: 02/06/2025.

Figure 2: People losing PIP expect to significantly reduce spending across the board

Share of respondents who scored less than 4pts in every daily living area who plan to significantly reduce or stop all spending by expenditure category



Source: Money and Mental Health survey of 447 people with mental health problems, 2-8 May 2025.

Notes: Average base of 39 respondents per statement. Respondents who answer the cost was not applicable to them are excluded from the base.

Past Money and Mental Health research has shown how, across many of the spending areas in Figure 2, the symptoms of mental health problems can lead to higher spending.¹² For instance, common symptoms of depression include lack of energy and willpower, feeling hopeless and finding it hard to make decisions or to leave the home. These can all mean we spend more on takeaways or groceries as a result of being unable to get out to the shops or to cook, or struggling to plan and stick to a budget. Being in the house all day can also increase energy and water bills, with 76% of respondents expecting to make significant cuts to their spending.

"It has enabled me to escape a traumatic marriage and to pay for bathroom and essential repairs to the house I now live in. It has helped me to have a few hobbies to help with insomnia, difficult night thoughts and despair."

Expert by experience

As other research has highlighted,¹³ many respondents who used PIP to cover essential spending noted that the low level at which other benefits like Universal Credit are set meant they had no other choice.

¹² See, for instance: Holkar M and Lees C. [Convenience at a cost: Online shopping and mental health](#). Money and Mental Health. 2021.

¹³ See, for instance, Richard Machin R & McCormack F. The impact of the transition to Personal Independence Payment on claimants with mental health problems. *Disability & Society*, 38:6, 1029-1052. 2023.

"PIP was a game changer for me. It literally lifted me out of poverty and therefore made my health better. Due to inability to obtain quality fresh food I was malnourished and physically declining which meant I was weak, unable to sleep and it of course lack of vitamins affected my mental health as well - I had increased anxiety and panic attacks, social anxiety, paranoia, hallucinations from hunger, suicidal thoughts and even a suicidal attempt. As soon as I got my PIP I calmed down because I knew that now I will be able to feed my family and myself, pay the bills and just simply - being able to live, in a contrast to 'trying to survive and not die'."

Expert by experience

Despite the diverse ways in which most respondents intended to cut back, many told us how they were unsure if this would be enough given the scale of the drop in their income. As the Resolution Foundation has noted, families expected to be affected will lose on average of 18% of their household income as a result.¹⁴

"I feel incredibly distressed at the prospect of losing additional money that goes towards therapy. The amount I get is not covering all the additional costs that come with mental health difficulties as it is."

Expert by experience

The interaction with work

Given how closely linked the changes to PIP are to the government's aim of moving more people into work, we used the survey to understand to what extent PIP and its potential removal would affect people's employment. The majority of respondents who currently receive PIP are not in work (70%). Of the remainder, 22% are in employment with 8% seeking work. Among those likely to lose PIP, a higher proportion (26%) are in work, but this remains a minority.

Dealing first with those who are not currently working, when asked what steps the government could take to help them access work, a common sentiment was that it is not possible due to the severity of their condition or conditions.

"I personally have severe social anxiety and I get panic attacks around people...I would love to return to work but I am not sure how I could be supported... I think I would literally need a babysitter at all times ."

Expert by experience

¹⁴ Aref-Adib C et al. [Unsung Britain bears the brunt: Putting the 2025 Spring Statement in context](#). Resolution Foundation. 2025.

"I am exhausted all the time. I don't think anyone is going to give me a job where I may need to take time off every day or so to recover. My day can go downhill very fast."

Expert by experience

A concern expressed by many was that the impact of losing PIP would worsen their health – often both physical and mental – driving them even further from work.

"PIP enables other health related benefits meaning I currently have sufficient to survive on. Without PIP other health benefits will be withdrawn leading to a massive reduction in income to beneath subsistence level. This will massively affect my mental health and I fully anticipate my mental health will deteriorate to the extent I'm likely to end up hospitalised again."

Expert by experience

"I've ended up in lots of debt and nearly evicted because of systemic failures... That has been very stressful and has had an adverse impact on my mental health which has made it harder, much, much harder for me to recover and return to work. So their failures and refusals to pay benefits have been a false economy because instead of supporting me properly to get well and return to work, they've ensured I'm ill for much, much longer and it's much much harder to get back on my feet. Being on benefits is like trying to stay afloat and instead of being thrown a life ring you get thrown lead shoes that weigh you down and nearly drag you under."

Expert by experience

For those in work and set to lose PIP, we asked what impact if any it would have on their employment. This was a small subset of respondents¹⁵ but just over half said they would have to give up their job with others responding they would have to reduce the number of hours they currently work. Altogether, 63% of this group said they would need to reduce or give up work if they lost their PIP entitlement.

"Access to Work only covers a % of my travel to work, I pay the rest out of PIP. To be able to do my job I need additional resources not covered by access to work which I pay out of PIP."

Expert by experience

¹⁵ Money and Mental Health survey of 447 people with mental health problems, 2-8 May 2025 base of 31 respondents.

"PIP has allowed me to get a job where I work 12 hours a week. This has helped with getting me out of my house and helped with my depression as I'm unable to take medication, as the newer meds don't work... PIP allows me to go to my job, get to appointments, get out to see family and friends."

Expert by experience

"PIP pays for the private therapy [and other health treatment]... which keeps my mental health at a functioning level most of the time. Without these I doubt I could even manage the permitted work hours (14 hours per week) that I do."

Expert by experience

Deeply flawed proposals

The government's proposals on PIP are set to have huge negative impacts on those affected, including those with mental health problems. This research has shown how much fear and uncertainty there is among those currently receiving PIP. While acknowledging the change is not scheduled to come into effect until November next year, nearly four in ten of those we surveyed who currently receive PIP didn't know if they would lose out or not. If the government chooses to push ahead with these reforms, at a minimum it will be vital that the 3.6 million people who receive PIP are told exactly what will happen to them and when, and how to access support to cope with often very large drops in income.

People are deeply concerned about what will happen to them and others – looking ahead but also reflecting back on experiences before they gained access to PIP – and also what it means about the government's attitude towards people with disabilities and health conditions.

"This has caused me so much anxiety, I have been having severe panic attacks since the changes were announced. I feel that they are completely disregarding the needs of people with mental illness."

Expert by experience

"These proposed changes are causing stress, anxiety and panic attacks for me, damaging my mental and physical health. I am worried about meeting my essentials. Without PIP I was forced into poverty, unable to pay bills and used food banks and community fridges. I was living on credit cards to meet those basic needs and that should not have to happen in the 21st century in a 'leading economy' developed country."

Expert by experience

Among respondents who currently claim PIP and are either set to lose PIP or were not sure, 97% said the change would have a significant negative impact on their mental health.

The government has made the case that its suite of reforms will ultimately lead to better outcomes, helping more people to move into work that will be better for those affected as well as for the public purse. Our research casts doubt on that. For the minority who are in employment, many feel that losing PIP will make it harder for them to continue to work, disrupting often carefully calibrated lives and support systems. Thinking of the majority who aren't working, there remains deep scepticism – both from our respondents and other commentators – about whether the government or employers can provide sufficient support.

As noted, the government has yet to set out its plans for employment support but has committed £1 billion. Our past research has identified ways in which it could become more effective for people with mental health problems.¹⁶ But there are limits even to a more tailored, better-funded system. There is a real risk that only a small number of additional people are supported into sustainable employment by the government's reforms and that people currently receiving PIP to help them stay in work will be pushed out.

For instance, the OBR's analysis expects small labour market effects as a result of the package of reforms as set out to date¹⁷ and recent analysis from the Resolution Foundation has pointed out that even in an optimistic scenario only an additional 105,000 people would be in work¹⁸ – a fraction of those set to lose out. This means it is highly likely that most people affected by these changes will simply lose out by thousands of pounds each year, pushing people into poverty rather than into work.

One potential mitigating factor of the size of those losses is that people will be reassessed and be found to have a higher score, making them eligible under the new rules. Indeed in our previous research we heard from people who had been awarded PIP at the standard rather than enhanced rate, which they felt was an error on the assessor's part. Despite this, we heard how the toll of going through the assessment was too heavy.

"I absolutely could not face going through the process again, I found going without food & heating was less painful than telling deeply private information to people who clearly think you're lying, just don't want to work, or are just trying to claim every penny you can."

Expert by experience

The government has said it will review the PIP assessment, which will be all the more important given the Work Capability Assessment – the other main health assessment currently in use in the benefits system – is due to be scrapped in 2028-29. But the timing of these changes mean that the restrictions in eligibility will come before the review of the PIP assessment – making a flawed process even more high stakes.

¹⁶ D'Arcy C. [Untapped potential: Reducing economic inactivity among people with mental health problems](#). Money and Mental Health. 2023.

¹⁷ OBR, [Economic and fiscal outlook: March 2025](#). 2025.

¹⁸ Murphy L and Thwaites G. [No workaround: Assessing the impact of the Spring 2025 disability and incapacity benefit reforms on employment](#). Resolution Foundation. 2025.

The areas that the PIP assessment considers and the tasks it asks about are skewed in their focus on people's physical ability to carry out activities, such as moving around, preparing a meal or picking things up. This means people with mental health problems often have to translate how their mental ill-health affects their ability to complete tasks and try to explain how their symptoms affect them. This requires a level of mental dexterity that people with mental health problems can struggle with when unwell.¹⁹ This risks the impacts of people's mental health problems being missed by the PIP assessment.

"It is a biased system that caters for physically ill, not mentally ill people. I found the initial process extremely stressful and did not have the inner strength to go through it again. I am crying as I type this as it was so distressing."

Expert by experience

"All of the questions about how your health is affected by your illness were geared towards having a physical disability. I found it extremely difficult to explain that although I can physically do certain tasks, it is the motivation, ability to remember, communication, feelings of anxiety etc, that affects me."

Expert by experience

The sequencing of these reforms is poorly planned, prioritising shorter-term cost-saving over genuinely helping more people move into work. By opting to implement the eligibility changes before improving the system around it, the government is risking people with disabilities, including mental health problems, facing a sharp drop in their income before a hopefully improved wider system can be introduced – noting the limitations of even the most supportive, best designed system in helping people with health conditions or disabilities into work.

The vast majority of respondents did not have high expectations of the government's ability to make effective changes to support them and the needs that their mental health problems raise. We asked respondents for their view on the statement "The government has a good understanding of the welfare and benefits needs of people with mental health problems." Overall, 88% strongly disagreed.

There is clearly a case for examining how the benefits system could be made more effective. Some of the government's plans, for instance reducing the risk that people face in moving into work when receiving benefits, are steps in the right direction. But the scale of the drops in income that hundreds of thousands of people are facing from restricted PIP eligibility risks those welcome pieces of progress being completely overshadowed by the damage done. The government should reverse this decision or, at a minimum, pause it until a proper employment support system can be put in place.

¹⁹ For more, see: Stacey B. [Submission to the Department for Work and Pensions consultation on Modernising support for independent living: the health and disability green paper](#). Money and Mental Health. 2024.

