



# Motability

The leading car scheme for disabled people

## Personal Independence Payment and the implications for current Motability Scheme customers

As part of its welfare reform programme, the Government has started to replace Disability Living Allowance (DLA) for disabled people aged between 16 and 64 with a new benefit called Personal Independence Payment (PIP). This process began in April 2013 in Great Britain and will be completed by 2018. Subject to approval by the Northern Ireland Assembly, the change will apply in Northern Ireland from a later date.

Motability customers currently use their DLA to pay for their vehicle leases. Therefore it is important that you are aware of the Government's changes to disability benefits and how the Motability Scheme will support you through the transition if you are no longer eligible to use the Scheme.

**This leaflet gives you important information about the Government's changes to disability benefits which you should consider carefully before entering into a new Motability Scheme contract.**

## // What is PIP?

In April 2013, the Department for Work and Pensions (DWP) introduced a new benefit called Personal Independence Payment (PIP) which will gradually replace Disability Living Allowance (DLA) for eligible disabled people aged between 16 and 64. Like DLA, PIP has two components: a “daily living” component and a “mobility” component. Each component has two rates of payment: a “standard” rate and an “enhanced” rate. Like DLA, PIP is not means-tested or taxable, and can be paid whether the claimant is working or not.

## // Who will be affected by PIP?

PIP will replace DLA for disabled people aged between 16 and 64, even if they currently have an “indefinite” or “lifetime” DLA award.

- DLA will remain for children until they reach the age of 16.
- DLA will continue to be available for those aged 65 and over on 8 April 2013.

## // How will DWP assess eligibility for PIP?

DWP will award PIP based upon their assessment of an individual’s ability to carry out a range of everyday activities. The criteria for PIP are different from those for DLA today. Based on information and evidence provided by the claimant, together with a face-to-face consultation in most cases, DWP will decide on individuals’ entitlement to the various components of PIP, at which point DLA payments will end and any PIP payments awarded will begin.

## // When will PIP be introduced for affected DLA claimants?

At some point between October 2013 and 2018, the DWP will write to affected DLA recipients in Great Britain, informing them that their DLA is due to end and explaining how they can apply for PIP. DWP will continue to make DLA payments until a decision on the PIP claim has been made. If PIP is not claimed or is not awarded, then DLA payments will end. Subject to approval by the Northern Ireland Assembly, the change will apply in Northern Ireland from a later date.

## // Will the Motability Scheme continue?

Yes, the Motability Scheme will work with PIP in the same way as it does with DLA. Motability will continue to lease cars, powered wheelchairs and scooters to disabled people who receive either:

- the Higher Rate Mobility Component of DLA,
- the Enhanced Rate of the Mobility Component of PIP,
- the War Pensioners' Mobility Supplement, or
- the Armed Forces Independence Payment.

## // How will PIP affect my ability to use the Motability Scheme?

Eligibility to use the Motability Scheme is based on receiving one of the benefits listed above. For existing Scheme customers, their eligibility to remain on the Motability Scheme will therefore depend on the outcome of their assessment for PIP.

- **So, what happens if I am awarded the Enhanced Rate of the Mobility Component of PIP?**

In these circumstances, customers should not experience any disruption to their Motability lease as they move from one benefit to the other.

- **And what happens if I am not awarded the Enhanced Rate of the Mobility Component of PIP?**

Existing recipients of the Higher Rate Mobility Component of DLA who are not awarded the Enhanced Rate of the Mobility Component of PIP will not be eligible to use the Motability Scheme. Being forced to leave the Scheme will be a difficult transition for these customers and their families. The Motability Scheme has therefore decided to provide a one-off package of transitional support to those customers who can no longer use the Scheme as a result of their initial PIP reassessment (see table on page 4). We will keep this package under constant review and may make changes to it as we gain experience of how it is working for customers.

- **Can I keep the Motability vehicle if I am not awarded the Enhanced Rate of the Mobility Component of PIP but I am challenging that decision?**

As today, customers will be able to challenge if they disagree with the DWP decision, initially by asking DWP to reconsider their decision and then by appealing to H.M. Courts and Tribunals Service. However, DWP will not continue to make DLA payments while a decision is being challenged and the Motability Scheme will therefore not be able to leave a vehicle with the customer. If their challenge is successful and the Enhanced Rate of the Mobility Component of PIP is subsequently awarded, the customer will of course be eligible to re-join the Scheme.

## One-off transitional support package

### Cars (including Wheelchair Accessible Vehicles)

DWP will allow DLA payments to continue for four weeks after they make their decision regarding PIP. In addition to this, the Scheme will allow customers to retain their vehicle for up to three weeks after DLA payments end.

For customers returning the car in good condition and within the agreed time frame, the Scheme will, subject to terms and conditions, provide the following transitional support:

- For those who entered into their first leasing agreement with the Motability Scheme before January 2013 and who would not have been aware of PIP and its possible impact when they joined, we will provide transitional support of £2,000.
- For those who joined Motability after January 2013 and up to December 2013, we will provide transitional support of £1,000.

For customers who have paid an Advance Payment, the Scheme will continue to refund this on a pro-rata basis. No further costs will be applied to customers whose leases end early as a result of PIP.

The Scheme will offer customers an opportunity to buy their vehicle following the end of the lease. The payments that would otherwise have been received upon returning the vehicle can be directed towards the purchase price.

The Scheme will work with our suppliers, including RSA and the RAC to provide general information on motoring, insurance and other services outside the Scheme, including information about buying new or used cars and arranging insurance and other services.

For those customers who lease a Wheelchair Accessible Vehicle, the Scheme will work with them on a case by case basis to assist them with their future mobility arrangements including, where appropriate, helping them to purchase their current vehicle.

For customers with adaptations, the Scheme will help them with the cost of fitting the same adaptations to a non-Scheme vehicle.

### Powered wheelchairs and scooters

The Motability Scheme will also provide a package of support and advice to customers currently leasing powered wheelchairs or scooters, with the objective of enabling them to purchase their current product wherever possible.

We will review these levels of transitional support during 2015 to take account of economic conditions and of any possible changes the Government may be making to PIP at that time.

## // What do I need to do now?

Existing DLA claimants do not need to make a claim for PIP until they are individually contacted by DWP at some point between October 2013 and 2018. The most important thing you can do at this stage is to ensure that the DWP has your correct contact details. You don't need to do anything else until the DWP writes to you, however once they have contacted you make sure you respond within their given timescales.

## // Where can I find out more about PIP?

More information about the DWP's plans for DLA and PIP can be found on the Government's website: [gov.uk/pip](https://www.gov.uk/pip) or for Northern Ireland at [nidirect.gov.uk/personal-independence-payment](https://nidirect.gov.uk/personal-independence-payment)

Disability Rights UK (an independent charity) also produces a series of factsheets covering DLA and PIP and these are available from: [disabilityrightsuk.org/factsheets.htm](https://disabilityrightsuk.org/factsheets.htm)

In Northern Ireland you can also visit [disabilityaction.org/welfarereform](https://disabilityaction.org/welfarereform)

