



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 in Northern Ireland in June 2016. It is expected to be complete by 2020.

Many Motability Scheme 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 as a result of these changes.

This leaflet gives you important information about the Government's changes to disability benefits which you should consider carefully before deciding to lease another vehicle on the Motability Scheme.

// 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 (on 20 June 2016 in Northern Ireland).

// 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?

PIP was introduced in Great Britain in April 2013. Since then, DWP have gradually been contacting affected DLA recipients informing them that their DLA is due to end and explaining how they can apply for PIP. It is expected that this process will continue until 2020.

PIP was introduced in Northern Ireland on 20 June 2016 for new claimants, existing DLA recipients whose fixed term award of DLA is due to end or anyone who reports a change in their mobility needs. DLA recipients in Northern Ireland with an ‘indefinite’ or ‘lifetime’ award will be invited to apply for PIP between December 2016 and December 2018.

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.

// Will the Motability Scheme continue?

Yes, the Motability Scheme will work with PIP in the same way as it does with DLA. The Motability Scheme will continue to be available for disabled people to lease a car, powered wheelchair or scooter if they 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 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 DLA to PIP reassessment. This package will be reviewed regularly and changes may be made to it as a result.

You will be able to keep the car for eight weeks after the DLA payments stop. In addition, if you first joined the Scheme before 1 January 2014 you will have the option to keep the car for 26 weeks after the last DLA payment. If you choose to keep the car for this extended period your transitional support payment will be reduced. For details of the transitional support payment available please see table on page 4.

Please be reassured that you will not be required to make any rental payments after your last DLA payment is received. If you are later awarded ERMC of PIP, you may receive a backdated payment from the DWP covering the period of time from when your allowance stopped. Should this period cover time when you still had a Motability Scheme vehicle, we may ask you to repay this period to us if you wish to rejoin or remain on 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.

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

- For those who entered into their first leasing agreement 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 if the vehicle is returned within 8 weeks of the last DLA payment. In addition, to give you more time to consider alternative mobility arrangements you can choose to keep the vehicle for 26 weeks after the DLA payments stop, but if you choose this option your transitional support payment will be £500.
- For those who joined the Motability Scheme after January 2013 and up to December 2013, we will provide transitional support of £1,000 if the vehicle is returned within 8 weeks of the last DLA payment. However, if you choose to keep the vehicle for the extended 26 week period the transitional support payment will be £250.
- For customers who have joined the Scheme since 1 January 2014, when more information was available on PIP, the vehicle must be returned within 8 weeks of the DLA payments stopping and a standard £250 Return to Dealer Payment will be available.

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 a DLA to PIP reassessment.

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.

Customers who lease a Wheelchair Accessible Vehicle and joined the Scheme before 1 January 2014 are automatically entitled to keep their vehicle for 26 weeks without a reduced transitional support payment. 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.

Cont.

One-off transitional support package (continued)

Powered wheelchairs and scooters

The Motability Scheme will provide a package of support and advice to powered wheelchair and scooter customers who joined the Scheme before 1 January 2014, with the objective of enabling them to purchase their current product wherever possible.

This package will be reviewed regularly and changes may be made to it as a result.

// 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 (or the Department for Communities in Northern Ireland). The most important thing you can do at this stage is to ensure that the department has your correct contact details. If your contact details are not up to date, this could result in you not receiving your invitation to apply for PIP, which could in turn affect your eligibility for the Motability Scheme.

You do not need to do anything else until the DWP (or Department for Communities in Northern Ireland) writes to you, however once they have contacted you please 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

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

In Northern Ireland you can also visit disabilityaction.org/welfarereform

