

# Motability and Personal Independence Payment

What happens to your Motability car when you are reassessed for Personal Independence Payments?



## At a glance

The Motability Scheme gives disabled claimants access to a vehicle. The transfer from Disability Living Allowance to Personal Independence Payment brought about through welfare reform will result in fewer people qualifying for a Motability vehicle.

This briefing adopts a Question and Answer format and explains:

- The Motability scheme
- When a person needs to return a Motability car including new extensions to time limits
- Information about the Motability transitional protection scheme
- How to obtain further advice or assistance.

Please note that this information is relevant to Motability cars. If you have a scooter, powered wheelchair or Wheelchair Accessible Vehicle, different rules may apply and you should contact Motability about this.

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- Works with Advice NI and CAB to deliver the Welfare Changes Advice Service
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## Our advice line

**9.30am to 1pm, Monday to Friday 028 9024 4401 and 028 7126 2433**

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## Introduction

The Motability Scheme enables people in receipt of certain disability payments to lease a car, scooter or powered wheelchair in exchange for their mobility allowance. The Scheme is operated by a registered charity and is based in England.<sup>1</sup>

The Motability Scheme is available to those who receive one of the following benefits:

- Higher rate of the mobility component of Disability Living Allowance (DLA)
- Enhanced rate of the mobility component of Personal Independence Payments (PIP)
- War Pensioners' Mobility Supplement
- Armed Forces Independence Payment

Specific eligibility criteria apply.<sup>2</sup>

## 1. Welfare reform

### 1.1 Introduction of Personal Independence Payment

The process of welfare reform is well under way in Northern Ireland with significant changes to the benefit system taking place.<sup>3</sup>

One of the key changes is the replacement of Disability Living Allowance with a new benefit called Personal Independence Payment.

PIP commenced on 20 June 2016 in Northern Ireland. By December 2018, all claimants in receipt of DLA aged between 16 and 64 will be reassessed for entitlement to PIP. Claimants aged 65 or over on 20 June 2016 will continue to get DLA as long as they continue to meet the eligibility rules. The Law Centre has published a series of briefings containing detailed information about this new benefit.<sup>4</sup>

### 1.2 Impact of PIP on Motability

We anticipate that a significant number of claimants in Northern Ireland will lose their entitlement to enhanced rate of PIP. This will mean they are no longer eligible to Motability and therefore must return their car.

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<sup>1</sup> <http://www.motability.co.uk/>

<sup>2</sup> For example, those in receipt of DLA or PIP must have at least 12 months remaining of their higher rate DLA / enhanced PIP mobility to be eligible for Motability

<sup>3</sup> See section on Welfare Reform changes on Law Centre (NI) website

<sup>4</sup> <http://www.lawcentreni.org/component/content/article/47-publications/1415-pip.html>

While statistics are not yet available for Northern Ireland, evidence from Great Britain indicates that **48% of DLA claimants** reassessed under the new PIP rules either do not qualify for any award of PIP or qualify at a lower rate than they were previously getting on DLA.<sup>5</sup> Latest figures show that over 200,000 people receive DLA in Northern Ireland.<sup>6</sup> This gives us some indication as to the large number of people in Northern Ireland who will be affected.

## Questions & Answers

### 1. I have been reassessed for PIP and I have not qualified for the enhanced rate of the mobility component. Do I have to return my car?

Yes. If you have not qualified for the enhanced rate of the mobility component of PIP, then you will have to return the Motability car.

The PIP office will let Motability know that you have not qualified for the necessary rate of PIP. You should receive a letter from Motability shortly after you receive your decision letter from PIP explaining what happens next. If you do not receive a letter from Motability and you have not qualified for the enhanced rate of mobility then you should contact your Motability dealer immediately.

### 2. When do I have to return the car to Motability?

Motability has recently extended the amount of time a person has to return their car.

Date	When do I have to return the car?
Prior to 20/4/2017	<p>Within 3 weeks of last DLA payment</p> <p>As you will receive one further DLA payment up to 4 weeks after PIP decision, this means that you could have up to 7 weeks from receiving the PIP decision to return the car</p>
After 20/4/2017	<p>Within 8 weeks of last DLA payment</p> <p>i.e. this means you could have up to 12 weeks from receiving the PIP decision to return the car</p>

However, if you are entitled to a **transitional payment** from Motability, you may also be able to keep your car for up to 26 weeks.

<sup>5</sup> Personal Independence Payment: Official Statistics (DWP, October 2016)

<sup>6</sup> There were 209,890 DLA claimants in February 2017. See Northern Ireland Benefits Statistics Summary (31 May 2017)

### 3. What is Motability transitional payment?

When PIP was introduced in Great Britain, the Motability Scheme acknowledged that some DLA recipients who currently had a Motability car would not qualify under the new rules for PIP. In order to assist people affected by this change, Motability introduced **transitional payments** which would be available to some people when returning their Motability car. Effectively, this gives claimants a little more time to return their car and to consider making alternative arrangements. This transitional payment is available whether a person appeals the PIP decision or not.

Whether transitional payments are available depends on the date of the lease agreement with Motability.<sup>7</sup> All cars must be returned in good condition.

Date of lease agreement for Motability car	Is transitional payment available?
<b>On or before 31/12/2012</b>	Yes.  If car is returned within 8 weeks, you are entitled to £2000 If car is returned within 8-26 weeks, you are entitled to £500
<b>Between 1/1/2013 – 31/12/2013</b>	Yes.  If car is returned within 8 weeks, you are entitled to £1000 If car is returned within 8-26 weeks, you are be entitled to £250
<b>On or after 1/1/2014</b>	No transitional protection available. Car must be returned within 8 weeks, there is no option to keep it for 26 weeks  However, if car is returned in good condition within 8 weeks, you are entitled to a £250 payment.

Please note:

- If you had a Motability car prior to 31 December 2013 but you came out of the scheme you can still qualify for one of the transitional payments as long as the gap is less than a year.<sup>8</sup>
- Any advance payments you made at the start of the lease will be paid back on a pro-rata basis. You should bear this in mind when deciding whether to keep the car for the 8 week or 26 week period.

<sup>7</sup> Note that these dates were chosen by Motability on the basis that PIP was being introduced in GB in April 2013. Although PIP was not introduced in Northern Ireland until June 2016, the same dates apply here. Our understanding is that there is no intention to apply different qualifying periods for Northern Ireland.

<sup>8</sup> For example, you might come out of the scheme if you lose your DLA entitlement and appeal or chose not to renew a lease agreement.

**4. I am receiving Welfare Supplementary Payments because I did not qualify for PIP or because I received a lower award. Can I use my Supplementary Payment to pay for my Motability car?**

No. The Department for Communities has advised that it is not possible to use the Supplementary Payments in this way. The new rules for Motability however allow some people to keep the car for up to 26 weeks and to continue to get Supplementary Payments during this period.

**5. I lost my mobility component and returned my car. My health condition got worse and I made a new claim to PIP. This time I was awarded the enhanced rate of the mobility component. Can I get a Motability car now?**

No. If you receive one of these payments, you cannot re-enter the Motability Scheme for six months. If you are in this situation, you should contact Motability or seek advice.

**6. I decided to keep the car for the 26 week period as I was appealing my PIP decision. My appeal was successful and I was awarded the enhanced rate of the mobility component. What happens now?**

As you have now been awarded the enhanced rate of the mobility component, you continue to be entitled to a Motability car. You should let Motability know that your appeal was successful.

You will be entitled to arrears of PIP dating back to your last DLA payment. As you have had the Motability car for the interim period, Motability will require those arrears to be paid to them.

However, in Northern Ireland many people who received DLA but do not qualify for PIP receive a Supplementary Payment while appealing. If you are successful in your appeal, the Supplementary Payments must be paid back to the Department first. In these circumstances, Motability have agreed that they will only expect people to pay back whatever arrears they actually receive. In many cases, this will be nothing as the arrears will have been used to repay the Supplementary Payments.

Joe is in receipt of the higher rate of the mobility component of DLA and he has had a Motability car for 5 years. He is reassessed for PIP and does not qualify. He decides to keep his Motability car for the 26 week period and appeals against his PIP decision. He receives a Supplementary Payment equal to his previous payment of DLA. It takes 20 weeks for the appeal to be heard, which he wins. He is now entitled to 20 weeks of arrears of PIP mobility component. As he has received 20 weeks of Supplementary Payment at the same amount, this is taken out of his arrears first. His arrears are now zero. He does not have to pay anything back to Motability. He can continue to keep his Motability car as he is now in receipt of the correct rate of PIP.

Motability have also confirmed that they will only seek to recover arrears for the mobility component. If, in the example, Joe had also been entitled to arrears for the daily living component of PIP, Motability would not expect him to pay them anything from his daily living component arrears.

**7. I decided to keep the car for the 26 week period as I was appealing my PIP decision. I lost my appeal. What happens now and do I have to pay anything back to Motability?**

As your appeal was unsuccessful, the original decision which found that you were not entitled to PIP still stands.

However, you do not have to make any payments to Motability. If you are still within the 26 week period, you can continue to keep the car for this period. You should contact Motability to discuss what options you may have at the end of this period.

**8. Where can I get further information or advice?**

Motability will send all those affected by these changes a personalised letter which will set out all the options you have and the dates you have to make a decision by.

Further information is available on the Motability website  
<http://www.motability.co.uk/>

For advice about any aspect of welfare reform, contact Independent Welfare Changes Helpline Tel 0808 802 0020.

For general social security advice, information briefings on welfare reform and information about training courses, contact Law Centre (NI) Tel 028 9024 4401 or visit our website [www.lawcentreni.org](http://www.lawcentreni.org)

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