EXPLANATORY MEMORANDUM TO

THE PNEUMOCONIOSIS ETC. (WORKERS' COMPENSATION) (PAYMENT OF CLAIMS) (AMENDMENT) (NO. 2) REGULATIONS 2026

2026 No. [XXXX]

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Sir Stephen Timms MP, Minister for Social Security and Disability at the Department for Work and Pensions confirms that this Explanatory Memorandum meets the required standard.

2.2 Natalie Keogh, Deputy Director for Health and Disability Delivery Division at the Department for Work and Pensions confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Roberta Owen at the Department for Work and Pensions can be contacted by email at the following address with any queries regarding the instrument: roberta.owen@dwp.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulations 1988[1] (the 1988 Regulations) provide the compensation rates and assessment processes for the occupational compensation scheme (the compensation scheme) established under the Pneumoconiosis etc. (Workers' Compensation) Act 1979[2] (The 1979 Act). The scheme provides compensation to people disabled by a prescribed disease and where applicable, their dependants. This instrument brings payments made to dependants in line with the rates payable to a person disabled by a disease. It also removes both the top-up for dependants (including the minimum payment) and the tuberculosis related top-up for pneumoconiosis in a person disabled by a disease.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is Great Britain.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is Great Britain.

[1] https://www.legislation.gov.uk/uksi/1988/668
[2] https://www.legislation.gov.uk/ukpga/1979/41

5. Policy Context

What is being done and why?

5.1 This instrument amends the compensation scheme to increase the rate of awards payable to dependants, so that they are brought into line with those payable to a person disabled by a disease.

5.2 This change equalises the rate of awards payable to dependants and a person disabled by a disease by introducing a single rate structure. Currently payments to a dependant are set at a lower rate than those payable to a person disabled by a disease and may be supplemented by a range of complex "top-up" payments depending on the circumstance of the claim. As a result of these changes, dependants will receive awards calculated on the same basis and at the same rate as those payable to a person disabled by a disease, removing this disparity.

5.3 Awards will continue to vary according to the statutory criteria prescribed in the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulation 1988, including the age of a person disabled by a disease at the relevant date and the level of assessed disablement.

5.4 This instrument also introduces a clear definition of the "relevant date" for calculating awards. Under the new provisions, where a claim is made by a person disabled by a disease, the relevant date is the date the claim under the compensation scheme is received. The person's age on that date, and the award rates in force at that time, will be used to determine the amount of the award. For a claim made by a dependant, the relevant date will be the date of death of a person disabled by a disease. The award will be based on the age of the person disabled by a disease at that point and the rates in force at that time. This provides greater clarity, reduces the potential for dispute, and ensures that awards are calculated in a consistent and transparent manner.

5.5 The instrument also introduces provision for payment to be made to a representative of a person disabled by a disease, where a valid claim has been made but the person dies before the payment can be issued. Payment will be made on receipt of the appropriate probate, administration or confirmation documentation. This ensures that payments can still be made where entitlement has been established but the person dies before an award is paid.

5.6 In addition, the instrument removes the top-up payment for a dependant (including the minimum payment provision) and the tuberculosis rate top-up for pneumoconiosis for a person disabled by a disease. The introduction of a single rate structure removes the need for supplementary payments. These changes will have a positive impact on dependants, as they will benefit from higher basic award amounts under the revised provisions. By aligning the rate of awards payable to dependants with those paid to a person disabled by a disease, the instrument ensures that dependants will be better off overall without the need for supplementary top-up payments.

5.7 The removal of these provisions also reflects the simplification of the scheme. The existing top-ups are administratively complex and can result in inconsistencies in award outcomes. Their removal will streamline the process for determining awards and reduce the administrative burden while also compensating both the persons disabled by a disease and any dependants fairly and accurately.

5.8 The amendments apply only where entitlement to a payment under the scheme first arises on or after 31 October 2026. Existing entitlements will continue to be determined under the current legislative framework.

What was the previous policy, how is this different?

5.9 Under the previous policy, awards payable to a person disabled by a disease under the compensation scheme were generally set at a higher level than those payable in respect of a dependant of a person disabled by a disease, although in some circumstances the awards could be the same. In addition, a dependant could be entitled to further payments under section 2 of the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 2026[3] (The 2026 Regulations) including a dependant top-up payment and a minimum payment provision. In certain circumstances, a person disabled by pneumoconiosis may also receive an additional payment where pneumoconiosis is accompanied by tuberculosis.

5.10 This instrument revises the previous policy by increasing awards payable in respect of a dependant of a person disabled by a disease so that they are equal to those payable to a person disabled by a disease, thereby removing the disparity between the two groups. As part of this equalisation, the instrument also removes additional dependant payments including the minimum payment provision and the tuberculosis related top-up.

5.11 Awards to both dependants and a person disabled by a disease under the 1979 Act vary by the percentage disablement and age of the person disabled by a disease (age at death for dependants). There are 410 different rates for a person disabled by a disease and 155 different rates for dependants (as per section two of The 2026 Regulations), reflecting the age-related and disablement criteria used to calculate awards. In 2026/27 a person disabled by a disease age 37 or younger with 50% disablement will receive £108,858. The dependant of a person disabled by a disease who died under the age of 37 with 50% disablement will receive £62,743. A person disabled by a disease age 67 with 50% disablement will receive £13,608. The dependant of a person disabled by a disease who died aged 67 with 50% disablement will receive £10,387. The compensation scheme dependant awards vary as a proportion of the awards of those paid to a person disabled by a disease.

5.12 These changes simplify the structure of payments under the scheme, improve fairness between persons disabled by a disease and their dependants, and remove complexity arising from supplementary payments.

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument makes amendments to the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulations 1988. It increases the prescribed rates of payments to dependants under the compensation scheme. Reference to assessment bodies have been removed and replaced with references to medical practitioners appointed by the Secretary of State. The amendments also clarify the relevant dates for calculating awards and the person to who payments are made where a person with the disease dies before payment is made.

Why was this approach taken to change the law?

6.2 The changes address the disparity between awards payable to dependants and those payable to a person disabled by a disease under the compensation scheme. There were no alternative approaches to achieve this outcome without either maintaining the differences in award rates or retaining supplementary payments.

[3] https://www.legislation.gov.uk/uksi/2026/378/regulation/2/made

7. Consultation

Summary of consultation outcome and methodology

7.1 There is no duty to consult on these amendments, and a voluntary consultation was not considered necessary. The amendments are intended to equalise payments by aligning the amounts payable to a dependant with those payable to a person disabled by a disease. As the amendments do not create any new entitlement, no consultation has been undertaken.

8. Applicable Guidance

8.1 No bespoke guidance is being produced for these amendments. However, prior to implementation updated internal operational instructions will be available for departmental staff.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because the impact on the public sector is negligible. There is provision for an increase in spend within the Department for Work and Pensions (DWP) Departmental Expenditure Limit 2026-27 to 2028-29.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on businesses, charities or voluntary bodies as this instrument equalises payments between a person disabled by a disease and dependants, removes top-up payments and introduces a defined relevant date for calculating awards.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector because the volume of payments is low.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is through routine monitoring of claims, awards and expenditure under the scheme.

10.2 The instrument does not include a statutory review clause.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 The Minister for Social Security and Disability, Sir Stephen Timms MP, has made the following statement regarding Human Rights:
"In my view the provisions of The Pneumoconiosis etc. (Workers' Compensation)

(Payment of Claims) (Amendment) (No. 2) Regulations 2026 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").