EXPLANATORY MEMORANDUM TO

THE PNEUMOCONIOSIS ETC. (WORKERS' COMPENSATION) (PAYMENT OF CLAIMS) (AMENDMENT) REGULATIONS 2012

2012 No.

1. This explanatory memorandum has been prepared by the Department for Work and pensions and is laid before Parliament by Command of Her Majesty**.**

2. **Purpose of the instrument**

The Pneumoconiosis etc (Workers' Compensation) Act 1979 (the 1979 Act) makes provision for lump sum compensation payments to people suffering from certain dust related diseases, or their dependants, who are unable to claim, or have not received, payments of damages from their employer. The compensation payments are set according to the age of sufferers and the extent of their disability. This instrument increases the amounts of compensation paid to sufferers, or their dependants, under the 1979 Act by 5.2% from 1st April 2012. The instrument also corrects an error in the dependants rate for those aged 67 and over.

3. **Matters of special interest to the Joint Committee on Statutory Instruments.**

None

4. **Legislative Context**

There is no statutory obligation to increase the rates of compensation payments in line with inflation under the 1979 Act. However the Government has reviewed the rates in order to maintain their value in line with inflation. This instrument increases the current rates of payment of the Pneumoconiosis etc. (Workers Compensation) (Payment of Claims) Regulations 1988 by 5.2% from 1st April 2012.

5. **Territorial Extent and Application**

This instrument applies to all of Great Britain.

6. **European Convention on Human Rights**

The Minister for Welfare Reform, Lord Freud of Eastry, has made the following statement regarding Human Rights:

In my view the provisions of the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 2012 are compatible with the Convention rights.

7. **Policy background**

What is being done and why

7.1. The 1979 Act provides lump sum compensation payments to sufferers of certain dust-related diseases, or their dependants, who are unable to claim damages because the employer for whom they worked when the dust exposure occurred has ceased to carry on business.

7.2. Although there is no statutory obligation to increase payments in line with inflation under the 1979 Act, the Government decided to increase the amounts in the regulations by 5.2% - the rate of inflation as measured by the September 2011 Consumer Prices Index, and in line with Social Security benefits.

7.3. To align with legislation regarding how the lump sum payments under the scheme are assessed, any increase in the amounts in the Pneumoconiosis etc. (Workers Compensation) (Payment of Claims) Regulations 1988 is made from 1 April each year.

- ***Consolidation***

7.4. Consolidation is not necessary because this instrument is an annual up-rating and therefore consolidation is not relevant.

8. **Consultation**

Consultation is not necessary because there is no change in policy, and there is no scope to change the outcome. These increases are at the rate of inflation as measured by the Consumer Prices Index, and are in line with other social security benefits rates which are increased under the existing statutory provisions.

9. **Guidance**

A guidance bulletin detailing the new rates will be issued to claim processors in the Jobcentre Plus Barrow office with responsibility for processing all 1979 Act claims.

10. **Impact**

10.1. This instrument has no impact on the private sector and civil society organisations.

10.2. The impact on the public sector is negligible.

10.3. A full impact assessment has not been prepared for this instrument.

11. **Regulating small business**

This instrument does not apply to small business.

12. **Monitoring & review**

The changes in the payable rates aim to maintain the value of payments in line with the rate of inflation. It is intended that this will be reviewed each year.

13. **Contact**

Malcolm Connell at the Department for Work and Pensions Tel: 0113 232 4764 or

mail to Malcolm.connell@dwp.gsi.gov.uk can answer any queries regarding the instrument.