EXPLANATORY MEMORANDUM TO

THE PNEUMOCONIOSIS ETC. (WORKERS' COMPENSATION) (PAYMENT OF CLAIMS) (AMENDMENT) REGULATIONS 2025

2025 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 Lorenzo Peri, Deputy Director for Employment-related Health Benefits Division at the Department for Work and Pensions confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 John Latham at the Department for Work and Pensions Telephone: 0300 082 0698 or email: ESA-.WCApolicy@dwp.gov.uk can be contacted with any queries regarding the instrument.

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) Act 1979[1] ("the 1979 Act") makes provision for lump-sum compensation payments to be made to people suffering from specified dust-related diseases, or their dependants, provided they meet the conditions of entitlement.

4.2 This instrument increases the amount of compensation paid to eligible people with the specified diseases (or their dependants) under the 1979 Act scheme by 1.7%.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales and Scotland.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales and Scotland.

4.5 The Department for Communities in Northern Ireland will be making corresponding provisions for Northern Ireland.

[1] https://www.legislation.gov.uk/ukpga/1979/41/contents

5. Policy Context

What is being done and why?

5.1 The 1979 Act provides lump-sum compensation payments to people with certain dust-related diseases. It also makes provision for payments to dependants, as defined by the 1979 Act, where the person with the disease did not claim a compensation payment under the 1979 Act before their death. "Dependant" has a specific meaning set out in section 3 of the Pneumoconiosis etc. (Workers' Compensation) Act 1979.[2] The compensation payments for people with the specified diseases are set according to the age of the person with the disease and the extent of their disability. The relevant form to make a claim for payment under the 1979 Act is published on GOV.UK.[3]

5.2 Although there is no statutory obligation to increase payments in line with inflation under the 1979 Act, the Government has decided to increase the amounts paid as set out in the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulations 1988[4] by 1.7%. This is the rate of inflation as measured by the September 2024 Consumer Prices Index.

5.3 The increase in rates applies only to cases where a person first fulfils the conditions of entitlement to a payment under the 1979 Act on or after 1st April 2025.

What was the previous policy, how is this different?

5.4 Without this change, payment rates under the 1979 Act would remain as currently set out in the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulations 1988 (as amended by the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 2024)[5].

6. Legislative and Legal Context

How has the law changed?

6.1 The Government has reviewed payment rates under the 1979 Act and decided to uprate these payments to maintain their value in line with inflation. This instrument increases the current rates of payment as set out in the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulations 1988 ("the 1988 Regulations") by 1.7%.

Why was this approach taken to change the law?

6.2 The 1979 Act does not require that the rates of compensation payments be increased in line with inflation. However, the rates of compensation payments have been uprated in this way annually since 2004. The rates of payment set out in the 1988 Regulations were last uprated on 1 April 2024, and this change will ensure that these rates maintain their value in line with inflation.

[2] https://www.legislation.gov.uk/ukpga/1979/41/contents
[3] https://www.gov.uk/government/publications/mesothelioma-payment-claim-form
[4] https://www.legislation.gov.uk/uksi/1988/668/contents
[5] https://www.legislation.gov.uk/uksi/2024/240/contents/made

7. Consultation

Summary of consultation outcome and methodology

7.1 There is no duty to consult over these increases and a consultation has not been carried out. This is an up-rating instrument only, which increases the rates of payment under the 1979 Act in line with inflation.

8. Applicable Guidance

8.1 No bespoke guidance is being produced. However, prior to implementation an internal bulletin detailing the new rates will be issued to the claim processors responsible for processing claims under the 1979 Act.

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 will be an estimated £0.60m increase to the Department for Work and Pensions (DWP) Departmental Expenditure Limit for 25/26.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because this is an up-rating instrument only.

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 made under the 1979 Act scheme is low. The total increase to the DWP Departmental Expenditure Limit for 25/26 is set out in paragraph 9.1.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is to review the payable rates each year.

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) Regulations 2025 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").