EXPLANATORY MEMORANDUM TO

THE PERSONAL INJURIES (CIVILIANS) SCHEME (AMENDMENT) ORDER 2014

2014 No.444

1. This explanatory memorandum has been prepared by the Ministry of Defence (MOD) and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 The Personal Injuries (Civilians) Scheme 1983 ("the PI(C)S") makes provision for the payment of pensions and allowances to or in respect of civilians who were killed or injured during World War Two as a result of actions by the enemy or in the performance of civil defence duties.

2.2 This instrument provides for the increase of the rates of retired pay, pensions, gratuities and allowances payable under the Order establishing the PI(C)S ("the principal Order"). The rates which are to be increased appear in Schedules 1 and 2 of the principal Order.

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

The committee has previously expressed concern as to when the PI(C)S will be consolidated. This is addressed at paragraph 7.4 of this memorandum.

4. Legislative Context

4.1 The PI(C)S is related to the Order for the main war pension scheme (The Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006), otherwise known as the SPO. The SPO makes provision for the payment of pensions and other awards to or in respect of service personnel who have died or have been injured as a result of service in the naval, military or air forces before 6 April 2005. Compensation is payable under the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005 (AFCS) where the death or injury occurs on or after this date.

4.2 The uprating of the SPO is covered by a separate instrument.

4.3 Pensions and allowances are traditionally uprated each year and the rates in this instrument have been approved by the Treasury.

5. Territorial Extent and Application

This Order applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- What is being done and why

7.1 This instrument provides for the annual increase in rates of pension and allowances payable under the principal Order. There are no amendments to any of the articles.

7.2 Uprating is discretionary but the long established practice is to increase the rates annually in April, applying the same principle that the Department for Work and Pensions uses for uprating social security disability benefits.

7.3 The basic war pension and war widow(er)s pension will therefore rise by 2.7 per cent together with all of the allowances payable.

- Consolidation

7.4 The PI(C)S, made under the Personal Injuries (Emergency Provisions) Act 1939, applies only to injuries arising from World War Two. There are now only around 1080 disabled pensioners receiving compensation under the PI(C)S and the number is dropping at the rate of between five and ten per cent a year. The scheme is exceptional amongst war pension instruments in that not only is it restricted to injuries during a specific time in history but there is also a time limit of three months for making first claims under the scheme. MOD recognises the need to consolidate the PI(C)S Order but, in view of the small and reducing number of beneficiaries under the scheme and of other demands on limited resources, regretfully it has not yet been able to undertake this extensive piece of work.

8. Consultation outcome

No consultation was required, as MOD was not seeking to amend any articles in the PI(C)S Order this year.

9. Guidance

All persons in receipt of a pension or allowance will be notified of the annual increase in the rates by letter.

10. Impact

A Regulatory Impact Assessment has not been prepared for this Order as it is not expected to have an impact on business, charities or voluntary bodies.

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring & review

These provisions are subject to continued monitoring and review.

13. Contact

Contact Tracy Sexton, Ministry of Defence, 020 7218 0564, email: CLS-Sec1@mod.uk if you have any queries on this memorandum.