EXPLANATORY MEMORANDUM TO

THE PNEUMOCONIOSIS ETC. (WORKERS' COMPENSATION) (PAYMENT OF CLAIMS) (AMENDMENT) REGULATIONS 2006

2006 No. 829

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. Description

2.1 This Statutory Instrument (SI) increases the current rates of payment under the Pneumoconiosis etc. (Workers' Compensation) Act 1979 ("the Act") by 2.7% from 1st April 2006 to maintain alignment with other social security benefits.

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

3.1 None.

4. Legislative Background

4.1 Although there is no statutory obligation to increase payments in line with inflation under the Act, the Government has made a commitment to review the rates regularly in order to maintain their value in line with inflation. This Statutory Instrument increases the current rates of payment under the Act by 2.7% from 1st April 2006 and maintains alignment with other social security benefits.

5. Extent

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

The Minister of State for Employment and Welfare Reform, Margaret Hodge has made the following statement regarding Human Rights:

In my view the provisions of the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 2006 are compatible with the Convention rights.

7. Policy background

7.1 The Act provides compensation to sufferers of certain dust-related diseases, or their dependants, who are unable to claim damages from the employer they were employed by when the dust exposure that caused the disease occurred because the employer has ceased to carry on business.

7.2 There is no statutory obligation to increase payments in line with inflation under the Act. However, previous Governments have given an undertaking to Parliament to regularly review the rates of payment in order to maintain their value broadly in line with inflation. This review is normally conducted annually, using the Retail Price Index (RPI): the same indicator of inflation for social security benefits. This makes sense, given that the awarding of Industrial Injuries Disablement Benefit is one of the main conditions to be met when considering eligibility for a payment under the Act.

7.3 In October 2005 the Office of National Statistics announced the RPI increase as 2.7% and this is the amount by which the rates paid under the Act will be increased. This increase will maintain parity with other Social Security benefits.

7.4 Consultation is not necessary because previous Governments have given an undertaking to Parliament to annually review the rates of payment in order to maintain their value in line with inflation.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 There is no impact on the public sector.

9. Contact

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