EXPLANATORY MEMORANDUM TO THE

PNEUMOCONIOSIS, ETC., (WORKERS' COMPENSATION) (PAYMENT OF CLAIMS) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2006

2006 No. 87

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

This memorandum contains information for the House of Lords Select Committee on the Merits of Statutory Instruments.

2. Description

2.1 This Statutory Rule (SR) increases the current rates of payment under the Pneumoconiosis, etc., (Workers' Compensation) (Northern Ireland) Order 1979 by 2.7% from 16 April 2006 to maintain alignment with other Social Security benefits.

3. Matters of special interest to the Select 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 Scheme, Government is committed to reviewing the rates regularly in order to maintain their value in line with inflation. This SR increases the current rates of payment under the Pneumoconiosis, etc., (Workers' Compensation) Order 1979 by 2.7% from 16 April 2006 to maintain alignment with Social Security benefits.

5. Extent

5.1 This SR applies to Northern Ireland only. The corresponding GB regulations, that is The Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 2006, were laid in draft form on 18 January 2006 and were debated in Grand Committee in the House of Lords on Thursday, 2 March 2006.

6. European Convention on Human Rights

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

7. Policy background

7.1 The 1979 Order provides compensation to sufferers of certain dust-related diseases, or their dependants, who are unable to claim damages from the employers because the employers have gone out of business.

7.2 There is no statutory obligation to increase payments in line with inflation under the 1979 Order. 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 Prices Index (RPI): the same indicator of inflation for social security benefits. This is considered appropriate as the awarding of Industrial Injuries Disablement Benefit (IIDB) is one of the main criteria to be met in considering eligibility for a payment under the 1979 Order.

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 1979 Order will be increased.

8. Impact

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

8.2 The additional financial commitment resulting from this SR will impact on public funds. However the actual cost will be dependent on the number of claims received. Over the past five years the average cost of claims received under the Scheme has been £86,000 per year and £13,000 per claim covering the financial years 2000/2001 – 2004/2005 (inclusive).

9. Contact

9.1 Brian Patterson at the Department for Employment and Learning. Tel: 028 9025 7545 or e-mail: brian.patterson@delni.gov.uk can answer any queries regarding this SR.