



# Social Security (Recovery of Benefits) Act 1997

## 1997 CHAPTER 27

### *Reduction of compensation payment*

#### **8 Reduction of compensation payment.**

- (1) This section applies in a case where, in relation to any head of compensation listed in column 1 of Schedule 2—
  - (a) any of the compensation payment is attributable to that head, and
  - (b) any recoverable benefit is shown against that head in column 2 of the Schedule.
- (2) In such a case, any claim of a person to receive the compensation payment is to be treated for all purposes as discharged if—
  - (a) he is paid the amount (if any) of the compensation payment calculated in accordance with this section, and
  - (b) if the amount of the compensation payment so calculated is nil, he is given a statement saying so by the person who (apart from this section) would have paid the gross amount of the compensation payment.
- (3) For each head of compensation listed in column 1 of the Schedule for which paragraphs (a) and (b) of subsection (1) are met, so much of the gross amount of the compensation payment as is attributable to that head is to be reduced (to nil, if necessary) by deducting the amount of the recoverable benefit or, as the case may be, the aggregate amount of the recoverable benefits shown against it.
- (4) Subsection (3) is to have effect as if a requirement to reduce a payment by deducting an amount which exceeds that payment were a requirement to reduce that payment to nil.
- (5) The amount of the compensation payment calculated in accordance with this section is—
  - (a) the gross amount of the compensation payment,  
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*Changes to legislation:* There are currently no known outstanding effects for the Social Security (Recovery of Benefits) Act 1997, Cross Heading: Reduction of compensation payment. (See end of Document for details)

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- (b) the sum of the reductions made under subsection (3),  
(and, accordingly, the amount may be nil).

### **[<sup>F1</sup>8A Reduction of payment under Diffuse Mesothelioma Payment Scheme**

- (1) This section applies instead of section 8 in a case where the compensation payment is a payment under the Diffuse Mesothelioma Payment Scheme.
- (2) The gross amount of the compensation payment—
  - (a) is to be reduced by the amount of the recoverable benefit, and
  - (b) accordingly, is to be reduced to nil in any case where the amount of the recoverable benefit is equal to or greater than the gross amount of the compensation payment.
- (3) Any claim of a person to receive the compensation payment is to be treated for all purposes as discharged if—
  - (a) the person is paid the gross amount of the compensation payment less the amount of the recoverable benefit, or
  - (b) the amount of the recoverable benefit is equal to or greater than the gross amount of the compensation payment and the person is given a statement by the scheme administrator saying that the compensation payment has been reduced to nil.]

#### **Textual Amendments**

**F1** S. 8A inserted (31.3.2014) by [Mesothelioma Act 2014 \(c. 1\)](#), s. 19(1), [Sch. 1 para. 3](#); S.I. 2014/459, art. 3(c)

## **9 Section 8: supplementary.**

- (1) A person who makes a compensation payment calculated in accordance with section 8 [<sup>F2</sup>or 8A] must inform the person to whom the payment is made—
  - (a) that the payment has been so calculated, and
  - (b) of the date for payment by reference to which the calculation has been made.
- (2) If the amount of a compensation payment calculated in accordance with section 8 [<sup>F3</sup>or 8A] is nil, a person giving a statement saying so is to be treated for the purposes of this Act as making a payment within section 1(1)(a) on the day on which he gives the statement.
- (3) Where a person—
  - (a) makes a compensation payment calculated in accordance with section 8 [<sup>F4</sup>or 8A], and
  - (b) if the amount of the compensation payment so calculated is nil, gives a statement saying so,
 he is to be treated, for the purpose of determining any rights and liabilities in respect of contribution or indemnity, as having paid the gross amount of the compensation payment.
- (4) For the purposes of this Act—

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- (a) the gross amount of the compensation payment is the amount of the compensation payment apart from section 8 [<sup>F5</sup>or 8A], and
- (b) the amount of any recoverable benefit is the amount determined in accordance with the certificate of recoverable benefits.

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**Textual Amendments**

- F2** Words in s. 9(1) inserted (31.3.2014) by Mesothelioma Act 2014 (c. 1), s. 19(1), **Sch. 1 para. 8**; S.I. 2014/459, art. 3(c)
- F3** Words in s. 9(2) inserted (31.3.2014) by Mesothelioma Act 2014 (c. 1), s. 19(1), **Sch. 1 para. 8**; S.I. 2014/459, art. 3(c)
- F4** Words in s. 9(3)(a) inserted (31.3.2014) by Mesothelioma Act 2014 (c. 1), s. 19(1), **Sch. 1 para. 8**; S.I. 2014/459, art. 3(c)
- F5** Words in s. 9(4)(a) inserted (31.3.2014) by Mesothelioma Act 2014 (c. 1), s. 19(1), **Sch. 1 para. 8**; S.I. 2014/459, art. 3(c)

**Changes to legislation:**

There are currently no known outstanding effects for the Social Security (Recovery of Benefits) Act 1997, Cross Heading: Reduction of compensation payment.