

EXPLANATORY MEMORANDUM TO
THE PERSONAL INJURIES (CIVILIANS) AMENDMENT SCHEME
2007 No. 646

1. This explanatory memorandum has been prepared by the Ministry of Defence and is laid before Parliament by Command of Her Majesty.
2. **Description**
 - 2.1 The Personal Injuries (Civilians) Amendment Scheme 2007 “the instrument” amends The Personal Injuries (Civilians) Scheme 1983 (“the PI(C)S”). It contains two elements:
 - it provides for the annual inflation-based increase in the rates of pensions and allowances payable under the PI(C)S;
 - it extends the linking rule from 52 weeks to 104 weeks for War Pension unemployability allowance in line with DWP welfare reform changes
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 The committee has previously expressed concern as to when the PI(C)S will be consolidated. The PI(C)S, made under the Personal Injuries (Emergency Provisions) Act 1939, applies only to injuries arising from the Second World War. There are now only around 1,900 disablement pensioners receiving compensation under the PI(C)S and the number is dropping at the rate of about ten per cent. a year. The Department recognises the need to consolidate the PI(C)S, but in view of the small and reducing number of beneficiaries under the scheme and of other demands on limited resources, the Department regrets that it has not yet been able to undertake this extensive piece of work. (The Order for the main war pensions scheme (The Naval, Military and Air Force etc. (Disablement and Death) Service Pension Order, otherwise known as the “Service Pensions Order” or SPO”) was consolidated in April 2006).
4. **Legislative Background**
 - 4.1 To be eligible for unemployability allowance (“unSUPP”) under Article 18 of the PI(C)S, a war pensioner’s degree of disablement has to be assessed at 60 per cent or greater. Prior to 7 April 1997, to be eligible for unSUPP, a war pensioner’s degree of disablement had to be assessed at 20 per cent or greater. If a war pensioner falling into the latter category gains remunerative work and therefore loses their entitlement to unSUPP, under Article 18(1B) of the PI(C)S, a linking rule allows a new claim for unSUPP to be made and awarded on the basis of a 20 per cent or greater disablement, provided certain conditions are met and the new claim is

made within the specified period (“the linking period”). Previously the linking period was 52 weeks. The instrument increases this to 104 weeks.

4.2 In October 2006 DWP introduced an amendment to their Incapacity Benefit linking rule as part of a package of changes under Welfare reform. This change increases the previous 52 weeks linking period to 104 weeks. War pension legislation is aligned with certain aspects of DWP Incapacity Benefit, therefore the PI(C)S is amended to reflect this change.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

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 It is the Department’s policy to increase pensions and allowances payable under the PI(C)S in line with inflation as measured by the retail prices index.

7.2 The change in the linking rule for unsubs from 52 weeks to 104 weeks is introduced to mirror the changes in the DWP Incapacity Benefit linking rule. As the PI(C)S applies only to injuries caused during World War 2 it is unlikely to have any impact due to the average age of war pensioners.

7.3 Formal consultation in accordance with the Cabinet Office Code of Practice on Consultation was considered. However, given the nature of the changes, namely an annual increase in line with inflation and a change to mirror DWP’s legislation, and in view of the fact that they are wholly beneficial to war pensioners, consultation was not considered necessary. The DCA, the President of the Pensions Appeal Tribunals and members of the Central Advisory Committee will be formally notified of these changes in writing. All war pensioners will be notified of the annual increase by letter.

8. Impact

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

9. Contact

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