

**EXPLANATORY MEMORANDUM TO THE
PNEUMOCONIOSIS, ETC., (WORKERS' COMPENSATION) (PAYMENT OF
CLAIMS) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2005**

2005 No. 59

- 1.1 This explanatory memorandum has been prepared by the Department for Employment and Learning and is laid before Parliament by Command of Her Majesty.
- 1.2 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 3.1% from 10th April 2005 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 3.1% from 10th April 2005 and will maintain alignment with social security benefits.

5. Extent

- 5.1 This SR applies to Northern Ireland only. The corresponding GB regulations are The Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 2005 (S.I. No. 414).

6. European Convention on Human Rights

- 6.1 Not applicable.

7. Policy background

- 7.1 The Scheme provides compensation to sufferers of certain dust-related diseases, or their dependants, who are unable to claim damages from the employers where the dust exposure that caused the disease occurred. This is usually because the employers have gone out of business.
- 7.2 There is no statutory obligation to increase payments in line with inflation under the Scheme. 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 (IIDB) is one of the main criteria to be met in considering eligibility for a payment under the Scheme.
- 7.3 In September 2004 the Office of National Statistics announced the RPI increase as 3.1% 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 cost of claims received under the Scheme has ranged from a total of £nil in 1999/2000 to £120,153 in 2003/2004, costing an average of £83,810 per year and £14,000 per claim during the period.

9. Contact

- 9.1 Valerie Reilly at the Department for Employment and Learning (Tel: 028 9025 7560 or e-mail: valerie.reilly@delni.gov.uk) can answer any queries regarding this SR.