

EXPLANATORY MEMORANDUM TO
THE PERSONAL INJURIES (CIVILIANS) (AMENDMENT) SCHEME 2006

2006 No. 765

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 2006 (“the amending instrument”) amends the Personal Injuries (Civilians) Scheme 1983 (“the PI(C)S”) in the manner described at paragraphs 4 and 7.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 The Committee has previously expressed concern about when the PI(C)S will be consolidated. The PI(C)S applies only to injuries arising from the Second World War. There are now approximately 2,000 pensioners receiving benefits under the PI(C)S and the number is dropping at 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.
4. **Legislative Background**
 - 4.1 The PI(C)S scheme was made under the Personal Injuries (Emergency Provisions) Act 1939. It establishes a regime for the provision of pensions and allowances to civilians injured in the Second World War which is similar to the scheme established for service personnel.
 - 4.2 By substituting revised versions of schedules 3 and 4 of the PI(C)S, the amending instrument provides for the annual inflation based uprating of pensions and allowances in the PI(C)S. In addition, to mirror certain changes which are being made to the scheme that applies to service personnel, it makes certain other amendments to the PI(C)S (which are detailed below).
 - 4.3 At present, by operation of paragraphs 3 and 4 of Article 18, a pensioner is not eligible for Unemployability Supplement if he is in receipt of basic state retirement pension (“RP”). This amending instrument deletes paragraphs 3 and 4 of Article 18 with the result that a pensioner can qualify for Unemployability Supplement even if in receipt of RP.
 - 4.4 The amending instrument also inserts a revised article 64 and deletes schedule 7 to the PI(C)S. At present, where a pensioner is admitted to hospital, article 64 provides that reductions may be made to allowances received by the pensioner (these are listed at schedule 7). The revised article provides that, where a pensioner is admitted to hospital, only constant attendance allowance and severe disablement occupational allowances are to be withheld.
 - 4.5 The amending instrument introduces new powers (articles 69A and 69B) to suspend and later cancel an award where a pensioner fails to comply with a request to provide information or to attend a medical examination. It also makes a consequential amendment to schedule 5 of the PI(C)S to enable a

suspended or cancelled award to be reinstated where the pensioner subsequently complies with the request.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As this 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 Paragraphs 3 and 4 of Article 18 had the effect that a pensioner lost entitlement to Unemployability Supplement if he received RP. Formerly, the rate of RP was below that of Unemployability Supplement and so a pensioner would opt to receive Unemployability Supplement instead of RP. However the basic rate of RP now exceeds that of Unemployability Supplement. DWP apply a rule to offset Unemployability Supplement against RP, with the result that a small amount of RP now becomes payable. Once this happens the pensioner loses entitlement to Unemployability Supplement. The amendment of Article 18 will ensure that a pensioner can receive, as RP, the amount by which RP exceeds Unemployability Supplement and not lose their entitlement to Unemployability Supplement. This change is an advantage to the pensioner as well as a minor administrative simplification.

7.3 From 10 April 2006, article 64 will be amended so that, with the exception of constant attendance allowance and severe disablement occupational allowance, payments of pension or allowances will be made in full regardless of the time spent in hospital. This amendment reflects a similar change being made in respect of equivalent social security benefits and is in line with the statement made by the Chancellor of the Exchequer in his March 2005 budget statement.

7.4 The new powers contained in articles 69A and 69B, to suspend or cancel awards, will encourage pensioners to cooperate in providing information necessary to confirm that payments being made to them are correct. Where an award is suspended or subsequently cancelled, because a pensioner has failed to comply with a requirement (for example, to provide information or to attend a medical examination), the award may still be reinstated where a pensioner subsequently complies with that requirement.

8. Impact

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

9. Contact

Mrs S J McIntosh at the Ministry of Defence Tel: 020 7218 0564 can answer any queries regarding the instrument