

Uprating lump sum payments and equalising in-life and dependency payments.

Each year, proposals on the uprating of lump sum payments are debated in committees in the House of Lords and the House of Commons, usually in March. There is no statutory requirement to uprate the payments so they are debated separately from the debates on the uprating of welfare benefits.

In 2010, committees debating uprating in both Houses agreed that it was wrong to maintain differential payments between living claims and dependency claims, especially in mesothelioma cases where death may quickly follow a diagnosis, preventing an opportunity to make a living claim. It was decided to reduce the difference between the payments in 2010 as a first step in ending the differential.

Since 2008, lump sum payments have been recovered by the CRU where civil claims for compensation have been successful. In 2011, £23.9 million was recovered in lump sum payments. Prior to 2008, payments were 'recovered' by insurers who reduced the compensation they paid by the amount paid in lump sums. The £millions now recovered by Government fund the lump sum payments to people who cannot trace their insurers.

It is anticipated that a further £49 million will be recovered over a ten year period following legislation to introduce a tariff scheme funded by insurers to pay compensation in cases where employers' liability insurance cannot be traced.

Since 2010, no further steps have been taken to end the differential payments, despite the commitment to do so. Given the increasing amount of money recovered, and the anticipated increase in such recoveries, there is now an opportunity to honour that commitment.

Dependency payments represent a very small number of total payments¹ and, unsurprisingly, many are paid to widows of those who have died from mesothelioma. A relatively small additional cost² would end a great injustice which has been recognised by members of all political parties.

Equalising the payments would also involve extending the cut-off age for dependency payments from 67 and over to 77 and over, which is the cut-off age for in-life payments³. Currently, older dependants are doubly disadvantaged.

Exceptionally, mesothelioma dependants receive the payment for up to 10% disablement at age 67 in addition to the 100% dependency payment which means that the cost of equalising payments in many cases will be relatively small.³

In moving the proposal to reduce the differential as a step to ending it entirely, Lord McKenzie said:

“That differential in payments puts pressure on sufferers during already extremely difficult times. For example, many feel that they need to rush through a quick claim to the department in order to maximise compensation for their families. Some are too sick to make a claim before dying and therefore their families are able to claim only the lesser amount after the claimant's death. In addition, because mesothelioma is difficult to diagnose and the disease onset is rapid, some sufferers are not diagnosed until after death.”

Lord McKenzie's sentiments were approved in committee by Peers, and identical sentiments were approved in committee in the House of Commons by MPs. Each year, committee members renew their commitment to support victims of asbestos diseases and speak with compassion about the suffering they endure. We believe we now have an opportunity to make good the commitment that was given to families who suffer the sudden loss of a loved one due to an unpredictable and fatal disease.

NOTES

¹ Number and cost of in-life and dependency claims 2011

There were 270 dependency claims and 2,952 in-life claims.

8% of all claims were dependency claims

5% of the total cost of all claims was for dependency claims

² Estimated cost of equalising in-life and dependency payments 2011

The average in-life payment was £15,204.

The average dependency payment was £9,016.

The difference in payment equalled £6,188.

Estimated cost of equalising payments is £1,670.760.

³ Mesothelioma addition and dependency and in-life cut-off payments

At the dependency cut-off age of 67 the current 10% payment is £2,873 and the 100% dependency payment is £7,915, which totals £10,788

The in-life payment for age 67 is £17,416

The cut-off in-life age 77 payment is £12,666.

At age 77 and over in-life payments are £12,666 and dependency payments are £10,788

Pneumoconiosis etc. (Workers Compensation) Act 1979 Payments
Payments for those assessed for IIDB on or after 1 April 2012

Age of disabled person	Percentage assessment for the relevant period									
	10% or less	11%-	21%-	31%-	41%-	51%-	61%-	71%-	81%-	91%-
	£	20% £	30% £	40% £	50% £	60% £	70% £	80% £	90% £	100% £
37 and under	33,246	59,372	69,660	71,641	73,619	75,202	76,785	78,369	79,951	81,536
38	32,296	56,994	67,562	69,980	72,033	73,619	75,202	76,785	78,369	79,951
39	31,345	54,619	65,465	68,315	70,455	71,825	73,619	75,202	76,785	78,369
40	30,398	52,242	63,367	66,651	68,866	70,453	72,033	73,619	75,202	76,787
41	29,447	49,871	61,271	64,985	67,288	68,866	70,453	72,033	73,619	75,202
42	28,491	47,498	59,171	63,331	65,703	67,288	68,866	70,453	72,033	73,619
43	27,073	44,724	57,074	62,062	64,597	66,497	68,077	69,660	71,245	72,829
44	25,646	41,954	54,974	60,796	63,487	65,703	67,288	68,866	70,453	72,033
45	24,225	39,184	52,877	59,527	62,381	64,908	66,497	68,077	69,660	71,245
46	22,798	36,415	50,782	58,263	61,271	64,122	65,703	67,288	68,866	70,453
47	21,376	33,643	48,682	56,994	60,164	63,331	64,908	66,497	68,077	69,660
48	20,147	32,534	47,023	54,463	58,263	61,109	62,696	64,278	65,857	67,447
49	18,920	31,427	45,359	51,929	56,365	58,893	60,478	62,062	63,647	65,231
50	17,693	30,319	43,728	49,397	54,463	56,677	58,263	59,844	61,426	63,011
51	16,466	29,210	42,032	46,862	52,561	54,463	56,061	57,625	59,212	60,796
52	15,239	28,102	40,372	44,329	50,660	52,242	53,832	55,412	56,994	58,575
53	14,089	26,125	37,836	42,114	48,761	50,660	52,242	53,832	55,412	56,994
54	12,942	24,147	35,303	39,901	46,862	49,082	50,660	52,242	53,832	55,412
55	11,796	22,167	32,776	37,678	44,960	47,498	49,082	50,660	52,242	53,832
56	10,646	20,186	30,240	35,464	43,065	45,911	47,498	49,082	50,660	52,242
57	9,499	18,205	27,707	33,246	41,170	44,330	45,911	47,498	49,082	50,660
58	8,747	16,545	24,741	29,840	37,046	39,977	41,678	43,343	44,961	46,546
59	7,993	14,881	21,768	26,440	32,929	35,620	37,441	39,184	40,846	42,427
60	7,247	13,218	18,799	23,034	28,818	31,269	33,203	35,029	36,732	38,316
61	6,489	11,556	15,835	19,630	24,698	26,914	28,971	30,873	32,614	34,197
62	5,739	9,895	12,864	16,227	20,582	22,560	24,741	26,718	28,491	30,081
63	5,343	8,944	11,556	14,509	18,309	20,262	22,324	24,225	25,963	27,546
64	4,956	7,993	10,250	12,783	16,028	17,971	19,911	21,730	23,429	25,012
65	4,553	7,045	8,944	11,066	13,756	15,674	17,494	19,238	20,900	22,483
66	4,159	6,097	7,638	9,339	11,479	13,377	15,080	16,740	18,366	19,949
67	3,762	5,145	6,330	7,619	9,204	11,085	12,666	14,248	15,835	17,416
68	3,659	4,982	6,114	7,304	8,888	10,646	12,171	13,814	15,335	16,900
69	3,563	4,830	5,900	6,987	8,572	10,212	11,679	13,377	14,844	16,384
70	3,462	4,673	5,678	6,670	8,253	9,773	11,183	12,942	14,346	15,873
71	3,366	4,510	5,462	6,351	7,935	9,339	10,689	12,507	13,855	15,359
72	3,266	4,354	5,244	6,037	7,619	8,908	10,191	12,071	13,355	14,844
73	3,184	4,277	5,166	5,918	7,499	8,708	9,994	11,757	12,964	14,407
74	3,108	4,195	5,086	5,799	7,385	8,508	9,799	11,441	12,568	13,962
75	3,030	4,119	5,009	5,678	7,261	8,312	9,597	11,122	12,171	13,534
76	2,949	4,034	4,927	5,562	7,143	8,117	9,403	10,806	11,771	13,104
77 and over	2,873	3,957	4,850	5,440	7,025	7,915	9,204	10,494	11,381	12,666

Pneumoconiosis etc. (Workers Compensation) Act 1979 Payments
Posthumous payments to dependants from 1 April 2012

Age of disabled person at their last birthday preceding death	Percentage assessment for the relevant period				
	10% or less	11%-20%	21%-30%	31%-49%	50%
	£	£	£	£	and over £
37 and under	21,058	35,903	40,254	41,445	42,432
38	20,583	34,556	39,067	40,254	41,520
39	20,110	33,210	37,880	39,066	40,610
40	19,629	31,863	36,692	37,880	39,700
41	19,157	30,519	35,504	36,692	38,790
42	18,686	29,177	34,316	35,504	37,880
43	17,828	27,432	33,247	34,434	37,009
44	16,979	25,685	32,175	33,368	36,129
45	16,130	23,945	31,110	32,297	35,264
46	15,277	22,202	29,949	31,228	34,394
47	14,427	20,461	28,976	30,164	33,525
48	13,777	19,986	28,186	29,332	32,455
49	13,119	19,512	27,389	28,500	31,386
50	12,468	19,035	26,601	27,664	30,318
51	11,816	18,563	25,810	26,838	29,253
52	11,162	18,089	25,018	26,005	28,186
53	10,863	16,979	23,515	24,857	27,309
54	10,568	15,870	22,007	23,709	26,441
55	10,273	14,762	20,503	22,563	25,570
56	9,976	13,654	18,999	21,417	24,695
57	9,499	12,550	17,494	20,267	23,827
58	8,747	11,753	15,776	18,250	21,417
59	7,993	10,961	14,055	16,229	18,999
60	7,247	10,175	12,329	14,210	16,586
61	6,489	9,380	10,610	12,192	14,170
62	5,739	8,593	8,885	10,175	11,753
63	5,343	8,531	8,771	9,795	11,064
64	4,956	7,993	8,646	9,420	10,379
65	4,553	7,045	8,531	9,042	9,676
66	4,159	6,097	7,638	8,668	8,986
67 and over	2,873	3,957	4,850	5,440	7,915