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FROM: Minister of State

DATE: 15 November 1985

PRIME MINISTER

ASSASSINATION AND DEATH OR INJURY IN SERVICE

Peter Rees reported to you, in his minute of 27 March, the results of the review of compensation provisions for the dependants of public servants who are killed on duty in circumstances similar to those of Mr Kenneth Whitty and Mr Percy Norris.

Colleagues have since corresponded about this, and agree that certain improvements should be made. We recommend two particular improvements, in which you saw merit, to the injury benefit provisions of public service pension schemes. However the main new proposal is that there should be provision to make an ex gratia payment, separate from pension benefits, in cases of this kind, specifically designed to respond to these circumstances. I attach a note by officials that describes these proposals in more detail, and other matters that have been raised in correspondence.

It is important that in the particular circumstances we have in mind the Government avoids any suggestion of parsimony. On the other hand we must not provide over-generously out of public funds in relation to what is available for other citizens. I think these proposals, which give us great flexibility to respond to what are by definition rare and always different circumstances, are about right.

Quintin Hailsham would like to include, within the provision for an ex gratia payment, the killing of a judge where the motive was primarily revenge rather than political. Like Peter Rees, I have reservations about this, because of the risk of wider repercussions which have so concerned colleagues. I am pursuing this separately with the Lord Chancellor.



MANAGEMENT IN CONFIDENCE

Geoffrey Howe will now make a specific proposal to you in respect of Mrs Norris, with which I agree. The amount of the ex gratia payment to her can take into account the effect of the two pension scheme improvements, so that these need not be implemented retrospectively.

I am copying this minute to Quintin Hailsham, Geoffrey Howe, Douglas Hurd, Keith Joseph, Michael Heseltine, George Younger, Norman Fowler, Tom King, Kenneth Baker and Sir Robert Armstrong.

MUM (Private Secretary)  
MW NORRIS

for IAN GOW

(Approved by the Minister  
of State and signed in  
his absence)



ASSASSINATION AND DEATH OR INJURY IN SERVICE

Note by Officials

Existing provision

The dependants of a civil servant dying in service in circumstances like those of Mr Whitty and Mr Norris presently receive:

(a) a "transitional pension" of 3 months of the civil servant's pensionable pay (which approximates to annual salary);

(b) a lump sum death benefit under the pension scheme of 3/80 of annual pensionable pay for each year of service (with actual reckonable service enhanced according to the length of that service), or one year's pensionable pay, whichever is the greater;

(c) an additional injury benefit lump sum of 3 months' pensionable pay;

(d) an index-linked guaranteed minimum income of 45% of pensionable pay, regardless of length of service; plus 10% for each child (up to a maximum of 4) if there is a widow, or 20% if there is no widow (there are additional benefits if there are other dependent relatives);

(e) the (index-linked) social security widows' benefits of up to £1,862 per annum (payable on a sliding scale to widows aged 40 and over);

(f) an award to cover the difference between the total discounted value of all the above benefits, and an assessment of total damages due to the dependants. (This assessment is either by the Criminal Injuries Compensation Board if death is in the UK, or by analogy with the Criminal Injuries Compensation Scheme if death is overseas.)

Recommended improvements

2. Ministers have agreed to recommend an increase to 6 months



in the transitional pension at (a) above, and to double to 6 months the lump sum death benefit at (c).

3. In addition, Ministers propose that provision for a "special category" payment should be introduced. This would be done wholly ex gratia, and would not be a provision in the relevant pension scheme. Such a payment would be made only on those very rare occasions when a British public servant is specifically selected to be the victim of assassination, or severe injury leading to early retirement on medical grounds, because of his status as a representative or servant of Her Majesty's Government, and as a political gesture against Her Majesty's Government or the British people. Sympathetic consideration would also be given to a payment where the circumstances met this definition except that the victim was a dependant of a public servant, serving with him overseas, as opposed to the public servant himself.

4. The amount of each special category payment would be a matter for judgement as to what is appropriate in the particular circumstances of each case. In some cases it might be related to the victim's salary, while in others it might be related to the circumstances of dependants. While not overtly excluding members of the armed forces, the police and fire services, it is not expected that special category payments will need to be applied to these groups, for whom there are other arrangements which Ministers agreed are fully adequate.

5. It would be for the Minister answerable for the employing department, in consultation with the Minister responsible for the pension scheme of which any victim was a member, to propose that a payment should be made, and to announce and defend it to Parliament. Departments would normally be expected to meet such payments from existing expenditure allocations. Thereafter, if Ministers agree, specific estimate provision would be made on the appropriate departmental vote, and the Appropriation Act would be used to provide the necessary statutory authority.



Other improvements considered

6. These proposals do not include improvements in the widow's pension. Widows of civil servants killed on duty receive a pension of at least 45% of their husbands' pensionable pay (see paragraph 1(d) above). This compares with 50% for police and firemen killed in particularly dangerous circumstances, with a maximum of 25% for civil servants who otherwise die in service, and with a maximum of 33% in the private sector schemes investigated. (The references in earlier papers to private sector widows' pensions of 50% and 60% of "employees' service" in fact mean percentages of the projected pension of the deceased employee, not of his pensionable pay.) The extra provision for police and firemen is an existing anomaly that predates the present injury compensation arrangements. To give other public servants an even bigger lead over the private sector in the size of widows' pensions was thought by Ministers not to be right. Any disparity with the private sector lies rather in the size of the lump sum compensation, and the proposals concentrate on that accordingly.

7. We examined whether the existing compensation arrangements at paragraph 1(e) above are unduly limited by the discount rate used by the Criminal Injuries Compensation Board and the Courts. The discount rate itself is decided by the Courts, and the Lord Chancellor's Department have advised the Prime Minister's office separately about that. In Mrs Whitty's case, the pension and social security benefits together provided, for as long as her children are dependent, something rather better than full replacement of her husband's salary; and her damages award was based on the most favourable interpretation of Mr Whitty's career prospects. In the case of Mrs Norris, both she and her husband were older, and they had no dependent children at the time of his death. Without the improvements now proposed, Mrs Norris would be nearly as well off financially as if her husband survived to retiring age. The Foreign Secretary intends to propose a special category payment for Mrs Norris. Our conclusion therefore is that in the specific cases we now have, and generally, the introduction of a special category payment means that the discount rate used by the Criminal Injuries Compensation Board need not disadvantage public servants and/or their dependants, since if there were any problems this could be taken into account in setting the size of the payment.



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