

Changes to the Armed Forces Compensation Scheme that will mean significant increases to the awards paid to injured personnel have been published in a report by the Ministry of Defence today.

The changes, which will see an average 25 per cent increase to awards paid for injuries due to service, will be introduced following the recommendations from the Armed Forces Compensation Scheme (AFCS) Review, carried out by former Chief of the Defence Staff Admiral the Lord Boyce last year.

The scheme pays a tax-free lump sum for injuries due to service, with the most seriously injured given a tax-free, index-linked Guaranteed Income Payment for life. This payment will be increased under the current changes to better reflect the lasting impact of injuries on future likely promotions and on the ability to work up to age 65.

Other changes include:

- an increase, which averages in excess of 25 per cent, to all lump sum award payments - except the top award which was recently doubled to £570,000
- nearly tripling the maximum award for mental illness from £48,875 to £140,000 in order to accurately reflect the impact of the most serious mental health conditions
- the creation of a new independent medical expert group to advise on compensation for specific, relevant illnesses and injuries such as hearing loss and mental health
- a revised approach to awarding compensation for multiple injuries, whereby all injuries sustained will receive some compensation.

The changes are detailed in 'The Review of the Armed Forces Compensation Scheme - One Year On' report

All personnel who have already received an award under the scheme since its introduction in 2005 will have their case automatically revisited and will receive an uplift based on the new award levels.

The AFCS Review was assisted by an independent scrutiny group that included Service charities, medical experts, serving personnel and veterans and announced its recommendations for improvements in February 2010.

Since that date the MOD has been working to draft and introduce the legislation required to bring the changes into force.

Andrew Robathan, Minister for Defence Personnel, Welfare and Veterans, said:

"I am determined to ensure the care and support we give both our injured Service personnel and our veterans is the best possible. These changes show the Government's commitment to helping our wounded and will result in a significant uplift for many who have already claimed, as well as all future claimants.

"Crucially, nobody will lose out as a result of these changes - indeed, nearly all will receive an uplift to the amount they received."