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Department
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Press release

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COMPENSATION SCHEME FOR VARIANT CJD VICTIMS ANNOUNCED

Alan Milburn, Secretary of State for Health, announced today details of the full compensation scheme that has been developed to make payments to each of those who have been diagnosed with variant CJD (vCJD) and their families.

The compensation scheme for UK victims of vCJD has been developed by the Government in consultation with representatives of families affected by vCJD. A new vCJD Trust will administer the compensation fund. An interim Trust fund was set up on 12 April 2001 and interim payments of £25,000 have already been made to most of the families.

There have been 101 deaths from vCJD to date. The compensation scheme will provide for payments to be made in respect of 250 cases up to a maximum of £55 million. If the number of cases exceed 250 an updated scheme would then be put in place. As there is great uncertainty over the likely total number of victims, the terms of the scheme will be reviewed. If there are much larger numbers of cases, future payments would be reviewed.

On top of the £55million Trust fund, in recognition of the exceptional circumstances, the Government will pay an additional £50,000 to each victim or their family. The Government is making this further commitment to a maximum of 250 cases. It is made to take account of the legal and other difficulties the first families have had to encounter and the additional pressures they have had to bear. Future claimants beyond the first 250 cases will not be entitled to this additional payment.

Trustees will be appointed shortly to ensure a fair and even-handed assessment of claims. They will be provided by Government with the means to meet reasonable claims. Additionally, within the overall scheme, there will be a discretionary fund capped at £5million.

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Mr Milburn said:

"I am pleased we have reached agreement on the terms of the vCJD compensation package. I hope that these payments go some way towards recognising the pain and trauma experienced by victims and their families. vCJD is a national and personal tragedy for those affected. It is right that the families receive this compensation."

Notes to editors

1. An independent Trust is being set up to administer the scheme and make compensation payments to vCJD victims and their families.
2. Trustees will be appointed by the Department of Health, in consultation with the families' representatives. The Trust does not formally fall within the remit of the Commissioner for Public Appointments, nevertheless the Department of Health will follow the principles of the Commissioner's guidance in making appointments to the Trust Board.
3. The Trust will be subject to regular Government review and audit.
4. On 12 April, regulations came into force ensuring that payment of compensation to vCJD victims or their families would not be taken into account for the purposes of calculating income-related social security benefits nor be subject to "claw-back" under the social security compensation recovery scheme.

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