I am writing in response to your letter of 5 November in which you express concern about the impact that Disability Living Allowance reforms will have on those in receipt of a War Pension. Firstly, I would like to reassure you that the Government recognises the commitment and considerable sacrifice made by all the courageous members of the Armed Forces who have been injured as a result of their service to the Nation. The Armed Forces Covenant enshrined in law our obligation to continue to provide them with the support they need. I take this very seriously.

In keeping with this, the Government announced in July 2012 that Service personnel and veterans who had been seriously injured as a result of service should not be financially disadvantaged by the Welfare Reform plans to gradually replace Disability Living Allowance (DLA) with the new Personal Independence Payment (PIP). The Armed Forces Independence Payment (AFIP) was introduced on 8 April 2013 to mitigate any such disadvantage. It provides financial support to Service and ex-Service personnel who have been seriously injured as a result of their service and is designed to cover extra costs that may arise as a result of their injury.

Eligibility for the AFIP is linked to those who have been awarded an Armed Forces Compensation Scheme (AFCS) Guaranteed Income Payment (GIP) of 50% or more. The value of AFIP is the same as the enhanced rates of both the daily living and mobility components of the new PIP, or the highest rate of both components of the old DLA. It is non-taxable, is not means-tested, and is paid for life. It is also not subject to any further assessment or re-assessment. AFIP is administered by DBS Veterans and paid for by the Department for Work and Pensions (DWP).
You are correct that any Service personnel injured prior to 6 April 2005 (when AFCS was introduced) are ineligible for the AFIP. Before the AFIP was introduced, the MOD and the Department for Work and Pensions considered if those in receipt of a War Pensions Scheme (WPS) award should be eligible. However, it was decided that they already have access to other, more generous, allowances under the WPS. These additional WPS allowances, such as the Mobility Supplement and the Constant Care Allowance, were not changed when PIP (and AFIP) were introduced.

War pensioners who currently receive DLA are subject to the DWP rules and regulations which include reassessment for PIP where appropriate. War Pension statistics show that over half of all those in receipt of a war pension are over the age of 70 and therefore, where in receipt of DLA, they will retain it and will not be subject to the reassessment process for PIP as it is a working age allowance. We have not made a specific assessment of the numbers of war pensioners who may be ineligible for PIP as we do not expect them to be disadvantaged by these changes due to the generosity of the WPS allowances.

The WPS and the AFCS work in different ways with different rules. War Pensions Mobility Supplement and Constant Care Allowance are specifically targeted at individuals with injuries that result in mobility issues and/or care requirements, whereas the AFIP award is targeted at young service personnel seriously injured in combat. AFIP is the equivalent of both the daily living and mobility component of PIP; it therefore covers both care and mobility needs.

THE RT HON MICHAEL FALLON MP