



Informing Progress - Shaping the Future



Personal Injury Discount Rate – Scotland and Northern Ireland

(26 September 2024)

This brief update details the outcomes of the statutory reviews of the Personal Injury Discount Rate (PIDR) in Scotland and Northern Ireland.

On this occasion, both jurisdictions used the same standard adjustments/assumptions (the notional period of investment (43 years); the AWE index for the impact of inflation; a standard adjustment for tax and investment expenses (1.25%) and an additional margin of prudence (0.5%)).

In each case, the Government actuary determined that the gross rate of return from the notional portfolio before adjustments was CPI +3.5%. The adjustment for damages inflation equivalent to AWE was determined to be CPI +1.25%.

Scotland

The Government Actuary has determined that the Discount Rate in Scotland should be +0.50% p.a. net of damages inflation. According to paragraph 25 of Schedule B1 of the Damages Act 1996, "*[a] rate determination comes into effect at the beginning of the day after the day on which the report including the determination is laid before the Scottish Parliament by the Scottish Ministers.*" The report was laid in the Scottish Parliament this morning and the Government Actuary has published her report, which is available at <https://www.gov.uk/government/publications/review-of-the-personal-injury-discount-rate-in-scotland>.

Northern Ireland

The Government Actuary has reviewed the Discount Rate for Northern Ireland and determined that the rate should also be +0.50% p.a. net of damages inflation. The new rate will come into effect on 27

September 2024. The report is available at <https://www.gov.uk/government/publications/review-of-the-personal-injury-discount-rate-in-northern-ireland>

England and Wales

The involvement of an expert panel (and Schedule A1 of the Damages Act 1996) mandates a different timetable for the statutory review in England and Wales which is due to be completed by 11 January 2025.

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