African And Caribbean Pensioners Hope For Fair Pensions Deal

Government ministers considering changes to system of payments that campaigners have long said is unfair

Written by Vic Motune
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FAIR DEAL: Pensioners who retire to some countries in Africa and the Caribbean get smaller pension payments than they would if they were in the UK

BRITONS LIVING in countries such as Nigeria, Ghana and St Lucia who are denied increases to their state pensions have been given fresh hope of a fairer deal as the government signals it may be open to changing the rules.

After decades of lobbying from pensioners, MPs and peers, the Cabinet Office and Department for Work & Pensions (DWP) is considering proposals for a “partial uprating” of pension payments.

It will affect pensioners who worked in the UK but now live in countries such as Zimbabwe, the Bahamas, Trinidad and Tobago and St Lucia.

These are among more than 100 countries, which include Canada, Australia, New Zealand and South Africa, where a UK state pension will be permanently frozen at the date at which someone retires or when they arrived in that country.

FROZEN

Around 1.2 million British pensioners live abroad but depending on where they live, the state pension they receive is very different. Around half, 550,000, of those pensioners have had their pensions frozen as they are not entitled to annual increases in the state pension, known as uprating.

This means they are only entitled to the sum they received when they first started drawing their pensions with many living on as little as £30 per week.

If the government does decide to partially uprate the pensions of people now living in retirement in these countries, expats will enjoy the same triple-lock increase to the state pension as retirees living in the UK.

A triple-lock increase means that a pensioner living in Nigeria or Ghana, who receives, say, £40 a week because the entitlement has not increased since they left Britain, could enjoy future annual rises of 2.5 per cent, average earnings or inflation, whichever is higher.

The International Consortium of British Pensioners (ICBP), which has fought a long battle to end what it calls the “cruel and archaic” system of frozen pensions, called it a “step in the right direction”.

Sheila Telford, director of the ICBP, said: “We’ve never had this sort of commitment from the government before. Our ‘chipping away’ has finally got somewhere.”

But she added: “The government always used to say ‘no, it’s too expensive’ to change the policy. So this is good news. Partial uprating will stop the year-on-year erosion at least. However, we want full uprating. The people who suffer the most are the oldest ones, and a 2.5 per cent increase on, say, £30, is hardly anything. It’s like the fluff in the bottom of your pocket.”

RESEARCH

The issue of partial uprating was discussed at a recent meeting between the ICBP, the cabinet office minister Oliver Letwin and Sir Roger Gale, chairman of the all-party parliamentary group (APPG) that campaigns against frozen pensions.

It is understood that Letwin is sympathetic on a move to partial uprating and is expected to commission research to test the likely impact of reform.

Such a move would cost the government £30m in the first year, according to the ICBP. This compares with the DWP’s estimate of £590m for full uprating, which involves raising everyone’s pensions to the level of those in “unfrozen” countries, rather than just benefiting from the same annual percentage rises in the future.

Partial uprating has been mooted before. Steve Webb, the former Liberal Democrat MP who served as pensions minister from 2010 to 2015, proposed it in 2004. “The public finances could easily have borne the cost [a decade ago] and it is a shame that these anomalies continue,” he said. “If partial uprating provides a way to make progress on this vexed issue, that would be most welcome.”

The Department of Work and Pensions however played down any suggestion that there would be an imminent change to the rules.

In a statement it said: “There are no plans to review this. The government has a very clear position, which has remained consistent for about 70 years — the UK state pension is payable worldwide, but is uprated abroad only where we have a legal requirement to do so, or a reciprocal agreement is in place.”

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Thank you for airing this discrominative policy that should be overturned as everyone who has paid the required contributions to the National Insurance Fund is entitled to the full state pension on retirement without any question and certainly no denial of their uprating which is doine by an underhand UK government instrument contrary to all that the UK havevalways stood for and defended around the world.
I would ask all if those reading this to write to their MP in the last constituency that they lived and worked in and not accepting any answers suggesting that you are not a constituent as they are committed to act for you on an international ussue as well as their local resident electorate problems.
Do it now while you have it in nyourb mind andv find your MP here : http://www.parliament.uk/mps-lords-and-offices/mps/ ✅
THANK YOU.

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