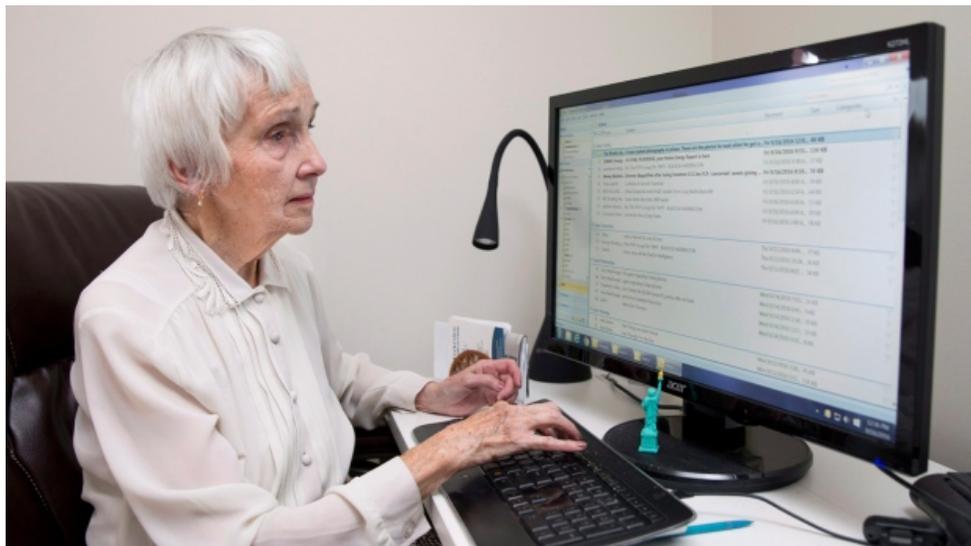


British retirees in Canada push Liberals to fix decades-old pension fight



Anne Puckridge works on her computer at her home in Calgary, Alta., on Sept. 16, 2016. (Larry MacDougal / THE CANADIAN PRESS)

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OTTAWA -- Anne Puckridge has two medals, earned during her service to Britain in the Second World War.

The 91-year-old jokes that she is still fighting -- except now it is against the British government.

Puckridge is one of about 150,000 British retirees who don't receive annual increases in their U.K. pension payments because they live in Canada.

Successive British governments have refused to index their pensions to keep pace with the cost of living, despite decades of diplomatic overtures from Canadian officials.

"I served my country, we all of us, all of us frozen pensioners paid our National Insurance contributions every week on exactly the same term as everyone and we consider it theft," Puckridge said from her Calgary home. "The government accepted our money for all those years and rather suddenly, reneged on paying out."

Now those pensioners see a glimmer of hope with Brexit.

As Britain negotiates its departure from the European Union, it will have to decide how to deal with the approximately 400,000 U.K. pensioners living in Europe who have received annual increases in their pensions. If the British government decides to upgrade those U.K. pensioners in Europe, it would give those frozen pensioners in Canada and elsewhere a strong argument to pressure the British government to give them annual increases, too.

Those details will be likely be sorted out during exit negotiations with the EU. After that, Britain has signalled its intent to negotiate a free trade deal with Canada.

David Morris, chairman of the Canadian Alliance of British Pensioners said his group wants the Trudeau Liberals to play hardball with Britain in future free trade talks and make indexing their pensions a requirement for a new deal.

Writing diplomatic letters or raising the issue with various British ministers doesn't work, he said.

"Britain has just said, 'thanks, but no thanks.' It has to be a little stronger than that," Morris said. "It has to be tied to some mutually beneficial agreement that may need to be signed because of Brexit."

Canada is able to pay pensioners abroad and flow foreign pension benefits to expats through social security agreements with other countries. Those agreements also ensure workers don't have to pay into more than one public pension plan and exempt Canadian companies with workforces abroad from paying higher contribution rates for foreign pension schemes.

The British government was willing at one time to index British pensions in Canada. In 1969, it signed such an agreement with the United States and turned north to Ottawa to amend the social security agreement first signed with Canada in 1959. Canadian legislation at the time didn't permit old age security payments outside of Canada, which prevented talks from starting.

Canada amended the law in 1977, but Britain had decided its finances were stretched and stopped signing or amending social security agreements to allow for indexing of pensions abroad. Successive Canadian governments have raised the issue, but with no luck.

"Canada's efforts over the past 35 years show that there are likely no diplomatic measures that Canada can take which will lead the U.K. to change its position on the indexing issue," officials told Social Development Minister Jean-Yves Duclos in a briefing note on the issue earlier this year.

The March 21 briefing note suggested that indexing the pensions could decrease federal spending on income-tested benefits like the Guaranteed Income Supplement and increase federal tax revenues.

The Canadian Press obtained a copy of the briefing note under the Access to Information Act.

Puckridge said Canadian benefits help supplement her income.

"I'm not starving because Canada now has given me the security pension," she said.

"But I'll fight until the day I die for (pension) rights. We earned our pensions and we paid for them in full."

The chairman of the International Consortium of British Pensioners, Ottawa resident John Markham, raised the issue during a brief encounter with Prime Minister Justin Trudeau earlier this year. The two chatted briefly at a reception at the Canadian high commission in London. Markham outlined the problem; Trudeau was supportive -- as successive prime ministers have been -- and told Markham to write to cabinet ministers about the issue.

Markham, chairman of the international group, said there are likely British citizens working in Canada today who may, like him, want to retire here. They too could see their pensions frozen when they decide to retire, meaning it is an issue for them as well: "So it's not just the current pensioners, it is future pensioners."
