



Canada is one of the countries in which British expats do not receive state pension increases Photo: G Alamy

Corbyn hope in frozen pensions battle

The new Labour leader could tackle the issue that dogs thousands of elderly British people living overseas

By Alison Steed 10:10AM BST 29 Sep 2015 Comment

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Expats who face having their state pensions "frozen" at the level they were at when they left the UK might have a glimmer of hope as the issue could once again be pushed up the political agenda.

Jeremy Corbyn, the new Labour leader, is a member of the [All-Party Parliamentary Group on frozen British pensions](#), something highlighted last week by expat advisory specialists AES International.

The group was set up to campaign for change to the rules that see pensioners who choose to retire overseas in certain countries losing

the right to have their state pension rise in line with either earnings, inflation or 2.5pc, whichever is highest.

Britons living in the UK have nothing to worry about when it comes to seeing their state pension rise year-by-year, and for many expats retiring to the likes of France or Spain the annual pension increase is also automatic. But for those retiring to countries such as Canada, South Africa, New Zealand and Australia, the [state pension is frozen](#).

Since it fails to rise each year, it becomes worth less and less in real terms as each year passes and the cost of living goes up.

Figures from the Department for Work and Pensions released earlier this year show that more than half of all state pensions for expats are frozen, affecting about 560,000 people.



Jeremy Corbyn, the new Labour leader, is a member of the All-Party Parliamentary Group on frozen British pensions Photo: Getty

Despite [constant campaigning](#) and various court cases brought by pensioner groups abroad, there has been no progress. Those affected are, in some cases, getting derisory amounts. Some pensioners in their 90s are getting as little as £17 per week.

The sense of injustice is [all too real](#).

The countries where pensions are frozen for British expats – primarily the Commonwealth ones – seem to the outsider to be arbitrarily chosen. Since the state pension is also paid out based on National Insurance contributions made throughout your life, these people will in many cases have paid full contributions but be treated differently to their compatriots who either stay in the UK or choose to retire elsewhere.

Today you need to have paid in 30 years' worth of NI contributions to qualify for a full state pension. Previously women needed to pay 39 years to qualify, while men had to pay 44 years, so those currently affected will typically have paid more into the system to qualify than their younger counterparts.

For some expat pensioners, the frozen pension problem bites to such an extent that far from being able to enjoy their retirement overseas, they are finding they can no longer live independently and have to rely on their family to help them financially. Worse still, some are even being forced to return home.

New pensions minister Ros Altmann has previously said she would like to see the Government "look again" at the issue of frozen pensions. As a consumer campaigner on issues affecting older people prior to her appointment, Baroness Altmann has worked to improve the pensions situation for the masses.

Even though she has now been [expelled from the Labour Party](#) – she was still a paid-up member despite being a Conservative minister – she and Mr Corbyn could get their heads together on this issue.

There are few greater injustices in pensions that need putting right.

Alison Steed is founder and editor of [MyMoneyDiva.com](#), a personal finance website offering information and deals