*Anne Puckridge, 90, is being forced to return to Britain because her pension is no longer sufficient to to-day expenses*

# Frozen pensions force expats to come home

*They paid taxes and served their country. So why don't 560,000 expat pensioners, like Anne Puckridge, aged 90, receive the same payment upratings as those who stay in Britain?*

By Dan Hyde 6:30AM GMT 28 Feb 2014 Comment

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When Anne Puckridge sold her family home in Stroud and moved to Canada in 2001 it seemed like the most sensible place to spend her retirement.

Aged 77, she had finished teaching as an information technology lecturer and was keen to see more of her daughter, Diane, and grandchildren Kirsty, 11, and Andrew, nine, who had moved to Calgary in the Nineties.

But almost a decade and a half later, her plans lie in tatters. Aged 90, Mrs Puckridge is being forced to return to Britain – and live a long-haul flight away from any immediate family – because her pension is no longer sufficient to cover day-to-day expenses.

Like 560,000 other expatriates, her state pension was frozen when she emigrated – in her case at £75.50 a week.

Had she stayed in Britain she would now receive £110.15, having served as an intelligence officer in the Women's Royal Navy in the Second World War and paid National Insurance throughout a long teaching career.

She would also receive the full amount, which has been uprated by inflation over the years, if she was on the other side of the United States border, a three-hour drive away, or had moved to a European nation.

But as the cost of living has risen, her savings have gradually been depleted. Now the £1,802 a year shortfall has become too much to bear, and has left Mrs Puckridge unable to afford coffee with friends and other ordinary activities. Reluctantly, she has accepted support from her daughter as she investigates a return to Gloucester.

"It's the small things, and the injustice, that is really getting to me," she said. "I value my independence, but I can't go on living on the breadline and I don't want to inflict this on my family.

"As well as ever-increasingly poverty, I feel a sense of stress and shame, which is affecting my health. This is complete and utter discrimination. I have paid all my contributions to the National Insurance Fund in Britain and now I have no option but to return to get something back."

Mrs Puckridge, like many of the half million overseas pensioners affected, only realised her state payments would be frozen when they weren't increased in line with inflation.

She has spent 12 years writing letters to British ministers and campaigning for justice alongside the International Consortium of British Pensioners.

The sense of anger is exacerbated by geographical anomalies. Half of pensioners who live abroad – those in France, Spain and the US, for instance – receive annual increases to their state payments.

But others in South Africa, Australia, Trinidad, New Zealand, Canada and nearly every other Commonwealth nation do not.

Some pensioners in these regions in their 90s receive as little as £17 a week; one 102-year-old receives less than £7 a week.

Creating a level playing field is deemed too expensive by the Government. It would cost £590m to "unfreeze" the pensions for the next year.

However, for every pound spent on state pension payments, this adds just 1p more – in other words increasing costs by less than 1pc, the International Consortium of British Pensioners said.

The state pension is supposed to be funded by National Insurance, which is a contributory system. Workers who paid National Insurance in exchange receive state pension in retirement proportionate to the number of "qualifying years" earned. Someone retiring today needs 30 qualifying years for the full basic payout.

There is a surplus of £20.7bn in the National Insurance Fund, according to the most recent government documents, which remains untapped. It remains to be seen what effect renaming National Insurance as "earnings tax" might have, after the Chancellor last week signalled his intention to make a change.

For many years, policymakers hid behind the excuse of a bilateral, or reciprocal, agreement preventing action. This simply meant that nothing could be changed unless the foreign nation in question agreed to make the same adjustments, and in some cases uprated pensions of its own citizens abroad.

But a Freedom of Information request in March 2013 revealed that nothing was stopping the British Government from altering the rules of its own accord.

A spokesman for the Department for Work and Pensions replied: “Bilateral agreements are not necessary in order for pensions paid outside Great Britain and the EU to be uprated. There are currently no plans to change the existing long-standing policy of successive governments on the uprating of pensions overseas; this policy was upheld in a ruling by the European Court of Human Rights in 2010, which found in favour of the UK government.”

Nine in 10 of 15,000 people who **voted in an online poll** for The Telegraph supported an amendment that brought greater fairness to expat pensioners.

Some have called into question whether the UK is contravening the Commonwealth equality charter, which was signed last year.

Mrs Puckridge said: “The Queen included the words ‘we are implacably opposed to all forms of discrimination’ but the Government has dismissed her intentions as being purely ‘aspirational’.

“The Government must reverse its disgraceful, discriminatory policy of freezing pensions for vulnerable senior citizens and restore some integrity to the British Government.”

Sheila Telford, chairman of the International Consortium of British Pensioners, whose website is **PensionJustice.org**, said: “We feel it is totally unfair that those who have contributed to their country for many years, through National Insurance contributions, taxes and in many cases, such as Anne Puckridge’s, military service, are discriminated against by the Government for choosing the ‘wrong’ country to retire to.”

In 2007, when in opposition, current pensions minister Steve Webb appeared supportive of the victims of frozen pensions, saying: “The practice of freezing these pensions is wholly unfair, discriminatory and irrational.”

He since appears to have changed his mind.

A spokesman for his office said: “The UK state pension is payable worldwide but is only uprated abroad where we have a legal requirement or reciprocal agreement. This has always been the case and people who are considering emigrating abroad should always consider the impact the move could have on their future state pension entitlement.”


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