



Pensions being eaten by inflation

Half million pensioners ignored by PM's benefit pledge?

As we speed towards May's General Election, the government should be aware of the vast number of expat Brits affected by frozen pensions who are ready to cast their vote. By a quirk of history their plight is being ignored as inflation eats away at their living standards

Sheila Telford

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Last week, the Prime Minister pledged that a Conservative government would protect pensioner benefits because Britain's elderly people deserve, "Comfort, independence, companionship and health."

This manifesto commitment is necessary and most welcome. However, what Mr Cameron fails to acknowledge is the 550,000 British pensioners living overseas already cut off by the government, living on a frozen state pension and becoming worse off each year.

Given the lack of available government information about this issue, you could be forgiven for not being aware of its existence, yet it is

one that deserves both our attention and concern. A frozen pension means that the state pension received at retirement age remains at the same amount for the rest of retirement, without any annual uprating in line with inflation.

It means those affected face the very real consequences of seeing their real terms income fall year on year, with some even living on the breadline. I'm sure you'll agree this is absolutely unacceptable.

Around 1.2 million pensioners live abroad and do so for many reasons -- not just to live in warmer climates as we are sometimes led to believe.

Some were transferred abroad by their employer, some emigrated to find work, some were encouraged to leave by the government at a time when unemployment was high, some left to return to their country of origin after a lifetime of work and some left to be close to children and grandchildren in their retirement years. All legitimate reasons.

Yet, by a quirk of history, only half of these pensioners receive the annual uprating based on nothing but their location. This means that, for example, a pensioner living in Canada with a full national insurance contribution history could receive less than 25 percent of the pension than others with an identical contribution history living in another country, such as the neighbouring United States, receive.

There is no rhyme or reason as to which countries are frozen and which are not. Ironically, almost 95 percent of the frozen pensioners live in Commonwealth countries such as Canada, Australia and New Zealand but the policy affects over 120 countries around the world.

Mr Cameron was right to acknowledge the need to protect our pensioners, but this should not be reserved for those solely in the UK. After all, these frozen pensioners have worked in the UK and paid their dues, both financially and often directly through military service. It is simply unjust to treat them this way in the later stages of their lives.

It is, of course, essential that all political parties commit to the dignity of this country's retirees but this must include ending the long standing discrimination against a portion of the British pensioner population based solely on where they live in retirement.

As we speed towards May's General Election, the government should be aware of the vast number of people affected by frozen pensions who are ready to cast their vote. Not only the 550,000 overseas frozen pensioners, but also their friends and family members, all keen to see justice done.

Sheila Telford is Chairman of the International Consortium of British Pensioners. For more information on the issue visit PensionJustice.org

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