



Join the fight to end pension discrimination

How would the readers of Mature Times feel if their state pension varied based on where they decided to live? Puzzled? Angry? Disbelief that the government could do such a thing?

They would be justified in feeling that way and yet that is exactly the situation for some pensioners who receive the UK Basic State pension: the amount they receive is based on where they live.

Unfortunately, for 560,000 unlucky British expatriates, this means that they have simply chosen to live in the 'wrong' country and have had their pensions frozen as a result.

Many now find themselves on the breadline, finding it increasingly difficult to afford essential items.

We're asking for your help to reverse this unjust policy and ensure that all British pensioners – no matter where they live – receive the state pension they have paid for and deserve.

What is a 'frozen pension'?

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.



(<http://www.maturetimes.co.uk/wp-content/uploads/2015/01/Baroness-Benjamin-Sheila-Telford.jpg>)

Supporter Baroness Benjamin

Around 1.2 million pensioners live abroad, accounting for 10% of total pensioners. They do so for

many reasons; 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 native land after a lifetime of work and some left to be close to children and grandchildren in their retirement years.

Yet of those 10 per cent, only half receive the annual uprating and the other half do not, 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 per cent of the pension than others with an identical contribution history living in another country, such as the neighbouring United States, receive.

Looking at how this policy has developed shows us that not only is it completely unfair, it is also utterly illogical. When the state pension was first introduced in the late 1920s it was only payable in Britain. After the National Insurance Act of 1946, it became payable also to pensioners living within the Commonwealth.

Starting in 1948, the UK commenced entering into reciprocal agreements with individual countries, on a somewhat ad hoc basis (France, Switzerland and Italy being some of the earliest).

These agreements would ensure pensions would allow for annual upratings to be paid to pensioners living in those countries.

Agreements continued to be negotiated with over 30 countries until 1981, when the UK government unilaterally stopped creating new agreements.

So now, with the job half done, half of the pensioners living abroad don't receive any uprating.

What's more, almost 95 per cent of the frozen pensioners live in Commonwealth countries such as Canada, Australia and New Zealand. Yes, it is beyond ironic, but true, that the former countries that were the first where the state pension was payable outside of the UK, are now the primary countries where uprating does not apply.



(<http://www.maturetimes.co.uk/wp-content/uploads/2015/01/ICBP-image2.jpg>)

ICBP at the All Party Parliamentary Group on Frozen British Pensions

One wonders what that says about the value the UK places on its closest friends and allies, especially as those countries annually uprate the pensions of their citizens who live in the UK. In fact, the UK is the only country in the OECD that treats its pensioners unequally, based on where they live.

What is being done to change this policy?

The ICBP is campaigning strongly to eliminate this irrational and discriminatory practice that is simply out of place in today's mobile society.

As well as raising awareness of the issue, we continue to work with UK politicians to try and bring about a political solution. There are a number of MPs and Peers with integrity who are active supporters, and have tabled questions in both Houses, launched Early Day Motions, and spoken out publically against this indefensible situation.

An All Party Parliamentary Group (APPG) chaired by Sir Roger Gale has also been recently formed to maintain the focus on the issue in Westminster.

Sadly, there are also prominent MPs who were passionate supporters when they were in opposition, only to turn their back on the campaign when they became part of the government.

How can I take action?




The ICBP are calling for fair minded people to help them in their cause. If you would like to help, please visit the website at pensionjustice.org (<http://pensionjustice.org/>) and sign up. Alternatively, please consider writing to your MP or the Prime Minister himself outlining why you feel the government should act to unfreeze pensions.

This is especially important in the run up to the General Election in 2015.

Whilst you might not be personally affected by this injustice now, you never know when you or someone you love might be.

by Sheila Telford, Chairman of the International Consortium of British Pensioners (<http://pensionjustice.org/>) (ICBP)

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JANUARY 19, 2015 AT 7:57 PM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-829](http://www.maturetimes.co.uk/join-fight-end-pension-discrimination/#comment-829))

**Bryan
Finlay**

And the focus on victimizing Canadians is even greater. UK Pensioners living in non-indexed countries who visit an indexed country can have their pension updated to the current rate while they are in the indexed country. NOT SO for CANADIANS who visit the USA which has indexed pensions. This is an “extra” UK control that is clearly intended to provide additional hardships for

UK Pensioners who are living in Canada.

In British terminology “It’s just not cricket !”

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JANUARY 20, 2015 AT 6:02 PM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-847](http://www.maturetimes.co.uk/join-fight-end-pension-discrimination/#comment-847))

Jan P

I am a UK pensioner with dual nationality, British and Australian. My late husband was British and all his working life was in England. I worked here for a good number of years before retirement.

One of the reasons I am not considering returning to Australia to live is because of the frozen pension. I have a friend who lives in Australia and is in receipt of a partial UK pension because of the years she worked here. She also has dual nationality but with an Australian husband.

Whenever she spends time in UK, visiting family, her UK pension is uprated for the time she is here. The whole system needs reviewing and reforming to eliminate the injustice.

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JANUARY 20, 2015 AT 4:48 AM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-831](http://www.maturetimes.co.uk/join-fight-end-pension-discrimination/#comment-831))

Brian Brown

(<http://www.parity-warrior.com>)

This does not only discriminate against individuals but also against countries – often developing countries – because they are denied into their economies the total amount that the pensioners in those countries would spend in the local marketplace. This denies jobs in some of the poorest countries in the world.

While Britain brags about spending #12 billion pounds a year in spurious overseas aid, it denies a mere #six hundred million pounds to its own citizens and to friendly Commonwealth – and other – countries.

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JANUARY 20, 2015 AT 6:11 AM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-832](http://www.maturetimes.co.uk/join-fight-end-pension-discrimination/#comment-832))

clive

walford

(<http://none>)

The Pension Minister has confirmed that, as described in the House of Commons Standard Note SN/BT/1457, these Reciprocal Agreements, (RAa), are not necessary to uprate UK pensions paid to overseas living UK pensioners. This note clearly shows that these RAs were and still are not required to uprate overseas pensions. These RAs were primarily for workers. The note states :

“The main purpose of these “agreements” were introduced to provide a measure of social protection for workers and the immediate members of their family, when moving from one country to another during their working lives. In effect, they generally prevent such workers from having to contribute to both countries social security schemes at the same time whilst ensuring they retain cover from either one country or the other. On reaching pensionable age, such workers who have been insured in two or more countries schemes can receive a pension from each reflects the amount of their insurance in each”.

Uprating is achieved through the Domestic Legislation , i.e. The Pension Act. However, it is withheld from some pensioners by a Regulation permitted within the Act.

The Note also clarifies that uprating is through Domestic Legislation as follows:

“Reciprocal social security agreements are not entered into solely with a view to paying annual uprating increases to UK pensioners living abroad. They are not strictly necessary for that purpose as uprating can be achieved through UK domestic legislation”.

It would appear that these RAs are erroneously used to withhold uprating payments.

It is not just Commonwealth countries affected. There are approx. 120 countries where the UK pension is frozen. Of course the commonwealth countries do have the majority of frozen pensioners. However, one frozen pensioner in a frozen commonwealth country is no different from one frozen pensioner in a non-commonwealth country. They are both equally frozen!.

The RAs are still used as a “red hearing” by the Pension Minister in refusing to uprate all pensioners. All that is

needed is an amendment to the Regulation (3) that says, uprating will not be paid to countries where there is no agreement. As these agreements, as confirmed by the Minister, are not required for uprating it is illogical to use a list of countries where there is no RA to withhold uprating payments.

This persistent referral to RAs being required must stop. The pressure on the Minister should be to accept that they are not a requisite for uprating therefore it is unfair and unjustifiable to refuse uprating payments to all overseas pensioners. There is no other logical reason for withholding uprating payments.

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Pingback: Mature Times takes up the cause | Pension Justice- campaigning against frozen state pensions for British expats (<http://pensionjustice.org/news/mature-times-takes-up-the-cause/>)



JANUARY 22, 2015 AT 7:03 PM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-857](http://www.maturetimes.co.uk/join-fight-end-pension-discrimination/#comment-857))

George Morley

Of course, everything already said paints the picture and there are so many quotes and logical reasons why this anomaly should be addressed by the government.

Why there has not been an open debate in parliament over this issue is bad governance in my view from the many newspaper articles, interviews, letters to ministers and Freedom of Information requests. Still no justification for it has been offered but obtuse and deceitful excuses. Even after the Judge Advocate General at the European Courts of Justice, Juliane Kokott said, "It must be realised that budgetary considerations cannot justify discrimination." and following on from this that the UK Supreme Court made its judgement on the part time judges whereby part time judges in the UK were awarded a pension that could cost £2 billion. Paul Epstein QC representing the plaintiff said, "The court decided in the end that all those reasons came down to cost, and that cost can never objectively justify discrimination" Still no acceptance or consideration for ceasing this policy What more do the politicians need but obviously more honesty and integrity and I feel that this is contrary to their code of conduct which must be in question and I have'nt mentioned the Commonwealth Charter !

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JANUARY 23, 2015 AT 6:17 AM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-858](http://www.maturetimes.co.uk/join-fight-end-pension-discrimination/#comment-858))

Jane Davies

Steve Webb. 18 March 2004. Pension bill debate. Hansard,

“The moral claim rests on the fact that we have a contributory pension system. We ask people to make contributions all their life to accrue an entitlement. Why should that accrued entitlement vary according to where they choose to live? That does not sit well with the idea of a contributory system.”

What has Webb done about this “anomaly” his word by the way? Nothing as we all know and so this discrimination continues year after year, a disgraceful way to treat seniors.

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JANUARY 24, 2015 AT 9:16 AM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-862](http://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-862))

**Andy
Robertson-
Fox**

Those who have written to Steve Webb the Minister or his department asking for justification for this policy will, no doubt, have received the bog standard reply that pensions are paid world wide and only updated where there is a legal requirement to do so or a, as we know totally unnecessary, a reciprocal agreement that allows it. Such excuses are not in themselves justification they are simply the instruments through which the policy is imposed. Nor is the fact that the discrimination has been the policy of successive governments for, as Webb says, “decades and decades and decades” – that is an indictment not justification nor a matter for self congratulation. Quite simply, there is no justification...indeed, illogical, irrational, discriminatory, victimisation, an anomaly have all been used by MPs, including Webb, to describe the denial of index linking in some overseas countries but not others.

While it is only right to continue to highlight the unfairness and injustice in denying index linking to some who contributed during their working lives to the NI fund on the same terms and conditions as everyone else such claims appear to fall on the ears of too many MPs with no conscience or moral backbone. Perhaps now is the time to concentrate more on the financial benefits to the UK economy by unfreezing.

It is already a known fact that substantial savings to the UK economy are made by way of no demands on the NHS, housing, winter fuel allowance, bus passes and the other pensioner benefits. It has long been contended that further savings would be made by unfreezing and allowing, thereby, many UK citizens who are currently prevented from retiring abroad by the prospect of an ever increasing downward spiral in their living standards. The Treasury is now, I believe, in possession of the ICBP report that has identified that, in the medium term, the savings by unfreezing are not millions of pounds.....but billions.

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Pingback: [Green Party commits to unfreeze pensions for half a million British expats - Mature Times](http://www.maturetimes.co.uk/green-party-commits-unfreeze-pensions-half-million-british-expats/) (<http://www.maturetimes.co.uk/green-party-commits-unfreeze-pensions-half-million-british-expats/>)



APRIL 26, 2015 AT 6:25 AM ([HTTP://WWW.MATURETIMES.CO.UK/JOIN-FIGHT-END-PENSION-DISCRIMINATION/#COMMENT-1089](http://www.maturetimes.co.uk/join-fight-end-pension-discrimination/#comment-1089))

**Nicola
Goodall**

Only 4% of UK State Pensioners do NOT receive what the rest of the 96% of UK State Pensioners get for paying into the same National Insurance Contribution TAX. Outright Highway Robbery. This discrimination MUST be brought to a swift end.

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