*Blackford: 'These people have paid national insurance in anticipation of receiving a full UK state pens*

# MPs call for changes to system that leaves pensioners overseas facing a 'national lottery'

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PENSIONERS who live abroad face an unfair "national lottery" on whether their state pension will increase, MPs have said.

At the moment UK pensioners who live in certain countries like Australia and Canada have their state pension frozen but those living elsewhere see the amount they receive uprated annually.

The freeze applies to Britons who live in countries that do not have a reciprocal agreement with the UK requiring that uprating takes place.

But SNP pensions spokesman Ian Blackford said the Government should reflect on the "injustice" of the current system as he highlighted the strength of support for change among a large group of cross-party MPs.

The MP for Ross, Skye and Lochaber, told the House that some 640,000 UK pensioners who live overseas do see their pensions increase but 550,000 do not.

Blackford said: "What we are talking about is individuals who have paid national insurance in anticipation of receiving a full UK state pension.

"We often talk about a postcode lottery, in this case it is a national lottery where there are 550,000 pensioners paying the price: your entitlement to a full pension not based on your national insurance contributions but based on what country you live in. How can that be fair?

"If you live in the US Virgin Islands your pension rights are protected. If you live in the British Virgin Islands they are not."

Blackford said that there is "no logic" to a situation which means UK pensioners who live in the US see their payments increase while their counterparts across the border in Canada do not.

"It's a basic question of justice and that's why I'm asking for all members right across the House to unite on this matter," he said.

"It's a matter that should concern us all, it's about doing the right thing and I hope today the minister and the Government respond in the correct manner."

UK pensioners who live in a country within the European Economic Area see their state pension uprated.

However, Blackford said it is unclear what would happen in the event of a Brexit on June 23.

He said the Government must “remove this uncertainty” and clarify the situation.

Pensions Minister Shailesh Vara stressed that the current system had been in place for 70 years under successive governments.

He said: “The UK state pension is exportable worldwide regardless of the recipient’s country of residence or nationality.

“Successive governments have taken the view that all those who have worked in the UK and built up an entitlement to a state pension should be able to receive it and we have no plans to change this particular arrangement.

“However, the state pension is only increased or uprated each year where the recipient is resident in the European Economic Area or a country with which the UK has a reciprocal agreement that allows for uprating.”

Vara said changing the current situation would present the Government with issues relating to cost.

“To uprate all state pension payments regardless of the recipient’s country of residence to the rate currently paid in the UK would cost in excess of an extra half a billion pounds a year.

“This amount would increase significantly over time and if arrears were to be included then the cost would be in the billions of pounds.”

He also stressed that moving abroad is a choice.

“We should also remember that the decision to move abroad is a voluntary one and it remains a personal choice dependent on the circumstances of the individual,” he said.

Shadow pensions minister Angela Rayner backed the calls to change the current system.

She said: “As somebody relatively new to this brief I believe it is worth taking a fresh look as the logic for the current arrangements is just not there.