

'Suspend Britain from Commonwealth over unfair expat pensions'

Campaigners who want all British pensioners who live overseas to receive the full state pension have called for the UK to be suspended from the Commonwealth until their grievances are met.



Only in countries that have signed bilateral agreements with the UK do expat British pensioners get index-linked state pensions Photo: ALAMY

By Richard Evans

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Currently, British pensioners who live in certain countries do not receive inflation-linked rises to their state pensions each year. Instead, their pensions are frozen at the level in force when they retired.

- **Comment:** If you've paid for a state pension, you should get a state pension

This had led to some pensioners in their 90s receiving as little as £17 a week, compared with a full basic state pension of £110 a week, reflecting the corrosive effects of inflation over several decades. One 102-year-old pensioner receives less than £7 a week, campaigners say.

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Only in countries that have signed bilateral agreements with the UK do expat British pensioners get index-linked state pensions. These countries include Spain, France and America. But in other countries, such as Canada, New Zealand and Pakistan, pensioners' incomes are frozen at their initial level.

Figures released last year showed that there were more than half a million British pensioners abroad whose pensions were not inflation-protected.

Sheila Telford, chairman of the International Consortium of British Pensioners, told The Telegraph: "The UK is now defaulting on the Commonwealth Equality Charter, which Her Majesty the Queen signed in March this year, calling for equality and an end to discrimination for all. We believe that until this issue of discrimination and inequality is dealt with, the Commonwealth should consider suspending the UK from membership.

"How can it be equal when a British pensioner living in Canada aged 90 receives one third of the pension of a British pensioner aged 65 living in Canada, or indeed a British pensioner living in the United States, just across the border? Many very elderly pensioners are suffering greatly."

She said almost 95pc of the pensioners affected lived in the Commonwealth. "It is a Commonwealth issue and yet the Commonwealth has refused to discuss it. Britain controls the agenda at the Commonwealth heads of government meetings and will not include frozen British pensions."

Should the Government pay the full state pension to all expats?

- Yes - they have paid National Insurance like any other pensioner
- No - they should respect the rules as they are

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Delysia Willmott, a 92-year-old British woman who now lives in Australia, said her pension from the UK had been frozen at £17 a week since she retired but her income was topped up by the Australian government. "I feel very guilty about this," she said.

Ms Telford added: "Steve Webb [Britain's pensions minister] has questioned why British taxpayers should pay for indexing pensions of British pensioners when the taxpayers of other countries pick up the slack. Canadian and Australian ministers repeatedly ask that this issue be addressed, only to be stonewalled. The matter is now becoming more and more of an irritant to the Governments of Canada and Australia."

Jim Tilley of the ICBP added: "The British Government just says 'this is how the law stands'. But we say the law is out of date – it hasn't caught up with changes in people's mobility."

He said the rules were relevant when they were drawn in 1947, when anyone retiring abroad was likely to be rich. "These days it's very different," Mr Tilley told the BBC.

He added that pensioners were not warned about the effects of choosing to live in certain countries on their state pensions. "I wrote the Department for Work & Pensions when I retired. The reply made no

mention that my pension would not go up," he said.

A spokesman for the DWP 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."

She added that Australia had unilaterally pulled out of the bilateral agreement with the UK in 2001.

The Australian High Commission said: "In 2000 the Australian government served notice on the UK that it was terminating the social security agreement because of the UK's continued refusal to include indexation provisions and the agreement was terminated on March 1 2001.

"The termination of the agreement is not the reason the UK does not index pensions in Australia, rather it is UK legislation. Australia indexes its pensions paid to people living in the UK."

The DWP's website lists those countries that have reciprocal arrangements with Britain. Pensions for British expats are also paid with index-linking in the countries of the European Economic Area, the spokesman said.

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