

# Why we must reform rules on frozen overseas pensions

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It is unfair that some pensioners who move abroad are being penalised by an outdated quirk of our legal system and denied the money that's rightly theirs

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**A**s an MP it is my duty to listen to my constituents, learn about their lives and drive positive change on their behalf. And it is speaking to constituents that has brought to my attention an issue which concerns me deeply, even more so because of its little known status: frozen pensions.

This issue already affects more than half-a-million people, and could affect more in coming years as the cost of living in the UK rises and people consider a well-deserved retirement overseas.

Frozen pensions are a phenomenon that occur due to an outdated quirk in our legal system.

On leaving the country to move to one of 122 different nations around the world - many of them Commonwealth countries including Australia, Canada, New Zealand and South Africa - the state pension entitlement is frozen at the point of departure. This means it doesn't benefit from the annual increase in line with inflation that pensions in the UK receive.

To put this in perspective, this means there are people, some of them from my constituency, who have moved to live with their children in other nations, or have returned to their countries of ancestral origin, or who have simply decided to move after a lifetime of work and dutiful paying of taxes, who are being penalised for the decision.

They are living on a pitiful proportion of the state pension that, by rights, they are entitled to. Some live in abject misery, denied the money they contributed month on month while working, and living on as little as £30 a week while their peers in the UK receive £115.95. Many of them didn't know when they left that this would occur. This simply cannot be right.

Although the stark scenario I depict is the reality of life for many, I am pleased to say that a glimmer of hope has been ignited for them. After a stubborn refusal, for well over 10 years, on the part of both Labour and the Conservatives to consider restoring justice, the government has finally agreed to take a closer look at this hugely important issue. The Cabinet Office will now commission research to investigate how people's life choices - such as the decision to move abroad in retirement - are affected by frozen pensions and test the likely impact of reform.

Those who campaign for change on this issue believe that the current legislation is not only unfair but also counter-productive, causing people to act against their wishes and relocate back to the

UK, thereby incurring a greater cost for the taxpayer. Indeed, some 2,500 people return each year from lives they have built in “frozen countries”, many of them due to financial pressures. Some will choose not to leave at all. Given that each pensioner costs the UK government around £4,300 each year, the all-party parliamentary group on frozen British pensions, of which I am a member, has been looking at how this cost could be offset by a solution dubbed “partial uprating”.

This would mean that existing frozen pensioners would receive the annual percentage increase enjoyed by their UK peers, stopping the year-on-year real-terms decrease.

It is possible to make this change, but it requires political will. It is now down to the government to end this ongoing injustice and bring about a fair deal for all British pensioners, no matter where they live, and we must make it a reality.

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