CSPA
CIVIL SERVICE PENSIONERS' ALLIANCE

NEWSLETTER

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Dear Colleague

REVISIONS IN THE STATE PENSION AGE

The Government has announced its intention to raise the State Pension age to 66 for both men and women. As is becoming the pattern, the Government has consulted on the change but has rejected all arguments against. The proposed timetable is as follows:-

Table 1 Changes to State Pension equalisation timetable (women)

Period within which birthday falls	Date new State Pension age reached	New State Pension age (years.months)
6 April 1953–5 May 1953	6 July 2016	63.2 – 63.3
6 May 1953–5 June 1953	6 November 2016	63.5 – 63.6
6 June 1953–5 July 1953	6 March 2017	63.8 – 63.9
6 July 1953–5 August 1953	6 July 2017	63.11 – 64.0
6 August 1953–5 September 1953	6 November 2017	64.2 – 64.3
6 September 1953–5 October 1953	6 March 2018	64.5 – 64.6
6 October 1953–5 November 1953	6 July 2018	64.8 – 64.9
6 November 1953–5 December 1953	6 November 2018	64.11 – 65.0

Table 2 Increase in State Pension age from 65 to 66 (men and women)

Period within which birthday falls	Date new State Pension age reached	New State Pension age (years.months)
6 December 1953–5 January 1954	6 March 2019	65.2 – 65.3
6 January 1954–5 February 1954	6 July 2019	65.5 – 65.6
6 February 1954–5 March	6 November 2019	65.8 – 65.9

1954		
6 March 1954–5 April 1954	6 March 2020	65.11 – 66.0
From 6 April 1954	66th birthday	66

BRITISH STATE PENSIONS ABROAD

I append details of a piece of research commissioned by the International Consortium of British Pensioners, who are fighting to secure index-linking of the British State Pension, wherever the pensioner resides. We support their on-going campaign.

Yours sincerely

John Amos
Deputy General Secretary

The International Consortium of British Pensioners commissioned a recent study by the economics think tank, Matrix Evidence, using data provided by HMG resources, which shows that over the next 15 years with current emigration levels remaining the same, recipients of British State Pensions who move abroad to countries where their UK state pension is frozen will save the UK economy a total of £33billion.

This is because UK residents over the age of 65 currently costs the UK taxpayer £8,189 per annum arising from average benefit payments of £2,938, share of NHS costs of £4,276 and social care costs of £975. Once lost tax receipts have been accounted for, this means that British pensioners who emigrate outside the EU in retirement save the UK economy a net total of £4,417 per capita per annum.

According to DWP some 543,000 pensioners out of a total of just over 1.1 million expat recipients of British State pensions currently reside in countries where their pensions are frozen. There are 185,000 pensioners living in reciprocal agreement countries, with the remainder living in the EU where they receive not only full pension upratings but also other transferable benefits. British pensioners residing outside the EU therefore currently provide a saving to the Treasury of £3.2billion per annum, £2.5billion of which is from pensioners living in countries where their British state pension is frozen.

A series of recent surveys have shown high numbers of pensioners who are keen to retire overseas. The Daily Express published on the 25th August 2010 a survey conducted by Aon Consulting, which indicated that 60% of all Britons "are desperate to escape the UK by retiring overseas". The Week magazine in February 2010 reported a similar survey from the Times indicating 42% considering emigration. More importantly, a survey carried out amongst pensioners resident in the UK in July 2010 by ICBP, AGEUK and the NPC showed that 44% of all respondents would consider a move abroad in retirement and 22% of those interviewed would consider emigrating to a "frozen" country. The survey also found that the frozen pension deters 39% of potential emigrants from considering moving abroad. This equates to nearly 1million pensioners who would move abroad if pensions were uprated across the board.

From these surveys it is fair to estimate that significant numbers of pensioners, potentially between half a million and one million, would emigrate over the next 10-15 years were pensions unfrozen. This would lead to an additional annual saving of between £2.2Billion per annum and £4.4Billion per annum, which could then be used to ease the cost of domestic pensions. This is not to mention the relief on housing pressures that greater emigration could provide.

Can HMG really afford to penalize would be pensioner emigrants?