NEWSLETTER

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Dear Colleague

BRITISH STATE PENSIONERS OVERSEAS

Please see the attached request for help from the International Consortium of British Pensioner on behalf of British Pensioners overseas whose state pensions are permanently frozen and never up-rated.

Any pressure you could bring to bear on your local MP would be greatly appreciated.

Yours sincerely

John Amos

Deputy General Secretary

Britain's Second Class Pensioners – Over Half a Million of Them!

Introduction

This paper was prepared by the International Consortium of British Pensioners. Its primary purpose is to provide an overview of the plight of Britain's Second Class Pensioners who have decided to live overseas during their retirement but find that their Basic State Pensions are frozen by the British government based solely upon **where** they decided to live. It includes the relevant information contained in the speech made by ICBP` Chairman, Tony Bockman, at the opening session of the NPC's Pensioner Parliament in Blackpool on 14 June 2011.

The Issue

- Over twelve and a half million people receive the basic state pension. **ALL** of them contributed similarly to that pension through their compulsory **N**ational **I**nsurance **C**ontributions (NICs).
- The amount of pension they initially received was directly proportional to the number of years they paid those Contributions.
- Of those 12 million plus pensioners, more than one million now live outside the UK – Overseas!
- Half of that one million plus receive the same annual uprating as the pensioners who still live in the UK, just as though they never left. They live in places like the EU, the USA, the Philippines, Israel, Bosnia, etc.
- **The other half million plus, over 95% of whom live in Commonwealth countries like Australia, Canada, South Africa, New Zealand, etc, do not receive any increases – EVER! Their pensions are permanently frozen at the level at which they first received them in their country of residence, solely because of where they have chosen to live in retirement.**

That's right, no increases - EVER - even though they made those similar compulsory National Insurance Contributions, just like everyone else!

If this seems unfair to you, just how unfair is it for Mr and Mrs Pensioner who live in Canada?

Joe Pensioner worked his whole life and qualified for a full Category A pension of £52 a week when he reached retirement age in mid 1991. His wife, Joyce, had spent a good piece of her life staying home and looking after their two kids but she qualified for a Category B pension of £31.20 a week based upon Joe's NICs.

Their kids had emigrated to Canada some years earlier. Joe and Joyce had already decided that when Joe retired they would move to Canada to be closer to the kids and the grand children. They were a close family and it just seemed the natural thing to do. *(It could have been Australia, South Africa or any one of almost 120 other countries, including most Commonwealth countries, and for any other personal reason.)*

It's twenty years on and Joe and Joyce are relatively healthy 85 year olds looking forward to the arrival of their first great grandchild. Problem is their financial position is not as healthy as it used to be. The primary reason for that situation is that their basic State Pensions are still at exactly the same rate they were when they arrived in Canada in 1991, £52 a week for Joe and £31.20 a week for Joyce. Had they emigrated to the USA, just 50 miles south of where they now live in Ottawa, Joe would be getting £102.15 a week and Joyce £61.20 a week, effective 11 April 2011. **Put another way, their pensions are now just 51% of what they should be! Second class pensions!**

Just because they chose to live close to their family in retirement! Even though they made those similar compulsory NICs just like all those pensioners living in the USA, or France, or Germany, or Spain or Israel!

No pension scheme should penalize some of its beneficiaries because of where they choose to live, especially when the number of years of contributions to the scheme directly determines the amount of pension they will receive. Consequently, over half a million pensioners have made first class contributions to a second class pension; **that is morally wrong!**

The reason given by the Government for not changing its policy is that it up-rates pensions to overseas pensioners **only** when there is a legal requirement to do so, as with those living in the EU, or when there is a reciprocal agreement in place with a particular country; it goes on to say it has no plans to expand the reciprocal agreements to more countries. **How can that be?** How can a Government that stresses the need for fairness for all, and that expresses its concern for the well being and dignity of the elderly, penalize half a million of its pensioners just because of where they choose to live in retirement? And especially when numerous Pensions Ministers have made a mockery of this policy by admitting in Parliament, both in the House and in committee, that there is no legal requirement for a reciprocal agreement to be in place before extending parity to all pensioners if the Government had the will to do so. So what's stopping them?

When all the excuses are over and done, it comes down to money, or so the Government would have us believe. The Government states that the economy cannot afford the estimated £620 million per annum to uprate all pensions to parity **– in spite of the fact that this represents significantly less than 1% of the annual Pensions and Benefits Budget.**

To put all of that in perspective, a recent study by Oxford Economics has confirmed the ICBP's beliefs that ALL pensioners who live overseas already create an economic savings of more than £3 billion annually. That's right, £3 billion! How come? The main sources of savings come from lack of demand on the NHS, no added benefits, no social costs, etc. The study also considered recent surveys on the intentions of individuals to emigrate after retirement; these indicate that removal of the pension freezing policy would significantly increase the numbers wishing to emigrate and thus produce a corresponding additional increase in net savings to the UK economy of some £33 billion over the next 20 years. Another benefit, not included in that £33 billion, is that emigrants also relieve pressure on the shortage of hospital beds, facilities for the elderly and the shortage of affordable housing units.

Help Us Change This Immoral Policy

Generally this situation is not known or understood by the British Public, who need to be warned that the current policy of pension freezing will apply to those who may wish to emigrate in the future.

We ask you to make your voices heard, and those of the electorate at large, to press for all pensioners who live overseas, now or in the future, to be treated in an even handed manner. They deserve no less fairness or concern for their dignity and well being than any other recipient of the basic state pension, wherever they might choose live in their old age.

Write to your MPs and demand that they sign EDM 1895 which calls for changes to the Social Security Uprating Regulation which imposes this policy. Send them a copy of this document to support your letter. Ask your family and friends to do the same. Write to the Prime Minister and to the Pensions Minister and demand that they work with the International Consortium of British Pensioners to resolve this issue.

If you would like additional information, you can contact us by post at the address above or by email at jmarkham@sympatico.ca or tony.bockman@primus.ca or check out our website at www.pension-parity-uk.com . We look forward to hearing from you.