

Expats warned of 'frozen' pensions under no-deal Brexit

Retirees to EU countries stand to lose annual increases after three years



Expat pensioners in the EU currently receive automatic increases, unlike their counterparts in Australia, Canada or New Zealand © Getty

Chris Giles and **Claer Barrett** in London SEPTEMBER 1 2019

UK citizens who have retired in EU countries were warned on Sunday that they might lose annual increases to their state pensions if Britain leaves the EU without a deal.

A notice from the Department for Work and Pensions said the government would continue paying the annual increases for three years after a no-deal Brexit but gave no guarantees after that. The state pension is currently uprated each year by the higher of either wage growth, inflation or 2.5 per cent.

The move, which would affect current pensioners and people who [planned to retire](#) in EU countries, opened the threat of removing automatic increases that expat pensioners receive as a result of Britain's EU membership.

It would leave them on a par with those who retire to Australia, Canada or New Zealand, for example, where UK pension payments are frozen.

About 500,000 British pensioners live in 120 "frozen" countries — many of them former Commonwealth nations — whose state pension remains the same amount that they received on the day they left the UK.

Last autumn, 93-year old activist Anne Puckridge travelled from Canada to Downing Street to present a petition with more than 200,000 signatures demanding that the link be re-

Canada, her state pension was frozen at £72.50 per week. Had she stayed in the UK, Ms Puckridge would now be receiving £125.95 per week. She calculates that she has lost out on about £23,000 over the 17 years she has lived overseas.

The Department for Work and Pensions has previously estimated that it would cost £500m per year to uprate frozen pensions.

[Amber Rudd](#), work and pensions secretary, presented the removal of existing rights for UK citizens retiring in EU countries as a benefit.

“We will be fully ready for Brexit, and are leaving in a way that protects the interests of citizens here and in EU member states,” Ms Rudd said on Sunday.

She added that the government would use the three-year period after a no-deal Brexit to seek an agreement with EU nations so that pension increases could continue into the future.

But Steve Webb, director of policy at Royal London, the UK’s biggest mutual life insurer, and a former pensions minister, said pensioners should be “deeply worried” that the government would strip them of these rights.

“Today’s announcement of a time-limited guarantee will be deeply worrying to British ex-pats living in the EU. If the UK leaves the EU on bad terms with the rest of the Europe there is no guarantee that a new uprating arrangement will be reached,” Sir Steve said.