

British citizens in Canada ask government for help in pension fight



Prime Minister Justin Trudeau spoke to U.K. Prime Minister Boris Johnson on Wednesday about a wide range of issues that did not include ending Britain's frozen-pension policy, which is affecting Britons living in Canada.

About 150,000 U.K. state pensioners live in Canada, but are not entitled to the same annual inflation-based pension increases as those living in the U.K.

Late last month, the U.K.'s All-Parliamentary Group on Frozen British Pensions [released the results of an inquiry](#) into the frozen pensions of British citizens living abroad, and recommended the British government end the "frozen pension policy."

The report states that the Canadian and Australian governments have been urging the U.K. for years to end the policy.

"Over the years, the government of Canada has raised, and has sought to address, this issue with the U.K., including by proposing the two countries negotiate a comprehensive social security agreement that would provide for the indexation of U.K. pensions," the Canadian government submission to the study reads.

“To date, U.K. officials have not engaged on this issue. As it has done in the past, the government of Canada will continue to raise this issue with the U.K. through various channels, where appropriate.”

More than 90 per cent of British pensioners whose amounts are frozen live in other Commonwealth countries. Those in the United States receive a full British pension, including increases the British government gives to its pensioners. The latter says all pensioners who moved overseas were made aware of the frozen policy if they moved to a country where it applied. However, according to the report by the all-parliamentary group, a survey of those affected by frozen pensions found that 86 per cent said they had not been made aware of the freeze.

The report also includes submissions by Liberal MPs Nathaniel Erskine-Smith and Francis Scarpaleggia, who said Canada has been pursuing the matter for more than 30 years.

Green Party MP Paul Manly and NDP MP Laurel Collins were also quoted in the report as saying Canada is helping the British pensioners with the extra social-security costs.

“The U.K. Minister of State for Pensions has stated that, were they to cancel the pension freeze, some of the benefits would flow to the Canadian government in the form of reduced subsidies being paid by our government to low-income pensioners,” Manly wrote. “This is a clear acknowledgement that the Canadian government is subsidizing British pensioners living in our country.”

According to the Canadian Alliance of British Pensioners (CABP), which provided a [written submission to the finance committee](#) for its pre-budget consultations for the 2021 federal budget, “over one-quarter of all British frozen pensioners live in Canada, and CABP estimates that the U.K. government’s refusal to unfreeze pensions is negatively impacting Canada’s GDP by almost \$1 billion annually.”

Several CABP members have been writing to MPs, cabinet ministers, and the prime minister to push the U.K. government to end the policy.

Last year, the U.K. signed a reciprocal agreement with Ireland, and this past fall during Brexit negotiations, the U.K. agreed to a similar policy with the European Union. That agreement went into effect on Jan. 1, allowing all pensioners who were residents of the EU before 2021 to continue getting pension increases.

“Our government understands that the U.K. non-indexation policy is of great concern to many U.K. pensioners residing in this country,” Daniel Pollak, press secretary to Seniors Minister Deb Schulte, wrote in a statement to iPolitics. “We have proposed to the U.K. that the two countries negotiate a comprehensive social security agreement that would provide for the indexation of U.K. pensions.

“Canada remains prepared to engage U.K. officials, should they choose to reconsider their non-indexation policy.”

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