

# Canada expats: Canada worried at UK's refusal to pay pension increases to expats

BRITAIN'S refusal to pay annual pension increases to people from the UK who retired to Canada has been described as a "great concern" by the Canadian Government.

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## Martin Lewis discusses state pension underpayments

The UK has rejected Canada's invitation to negotiate a deal so pensions would no longer be frozen at the level paid when a person left Britain or reached retirement age. Britain's decision has dismayed pensioners such as 81-year-old Peter Sanguinetti, who drove a school bus in order to provide for himself and his wife until the Covid-19 pandemic hit. While people in Britain are paid up to £134.25 with the basic state pension, Mr Sanguinetti receives just £89.54. His wife, Valerie, gets £64.65.

He condemned the UK Government's "steadfast, stubborn and morally bankrupt continuation of a frozen pensions policy that pushes many of my fellow ex-pats into poverty simply as a result of where we now live".

Mr Sanguinetti, who lives in Ontario, said: "Nobody expects to see an 81-year-old man driving a school bus and I doubt it features in many retirement plans, but unless the UK Government finds its moral compass so many other British citizens, like me, will continue to be left behind and ignored by their

own Government."

A survey by the End Frozen Pensions campaign found 56 percent of Canadian respondents received less than £65 a week.

The Canadian Government said in a statement: "The United Kingdom's non-indexation policy is of great concern to the approximately 150,000 UK pensioners living in Canada... Canada's longstanding position is that British pensioners who live in Canada have contributed to the British pension scheme, and have therefore earned the right to be treated the same way as other British pensioners.



Peter Sanguinetti drove a school bus after pension issues (Image: Handout)

"For more than 40 years, the Government of Canada has sought to address this issue with the UK and has proposed that the two countries negotiate a more comprehensive social security agreement that would make pensions more equitable by providing for the indexation of UK pensions for recipients in Canada.

“Most recently, in late 2020 Canadian government officials wrote to the UK, seeking their interest in concluding a comprehensive agreement that provides for the indexation of UK pensions. UK officials declined this request, but noted that they will continue to consider this matter carefully.”

Baroness Altmann, a Conservative peer and former pensions minister, criticised the UK Government’s position, saying: “I must say that I find it baffling and disappointing that our Government has refused to negotiate on this issue... The situation for frozen pensioners becomes worse each year and it seems rather unfair to use the argument that increases cannot be paid without an agreement and then refuse to discuss such an agreement.”

Sir Roger Gale, the Conservative MP for North Thanet who chairs the all-party group on frozen British pensions, said: “I regard this as an act of bad faith on the part of our own Government – and one which could have adverse implications for our trade negotiations with Canada.”

He hopes that Downing St and the Foreign Office will intervene so “meaningful discussions” with Canada begin.



Roger Gale said the UK's decision was an act of bad faith (Image: Parliament)

Anne Puckridge, a 96 year-old former intelligence officer who moved to Canada to be near family and receives just £72.50 a week, said she believes Canada "must use all diplomatic, trade and governmental avenues to ensure that this matter is finally resolved".

Pressure for change has also come from Caroline Abrahams of Age UK.

She said: "It's hugely unfair that people who have made their National Insurance contributions all their lives in the UK should miss out because they have retired abroad. State pension increases should be paid to all UK pensioners wherever they live."

Matt Rodda Labour's shadow pensions minister, agreed, saying: "The Government should take urgent action to end the confusion and provide a plan to support British pensioners abroad."

A DWP spokesperson said: "We understand that people move abroad for

many reasons and that this can impact on their finances. There is information on [GOV.UK](https://www.gov.uk) about what the effect of going abroad will be on entitlement to the UK State Pension.

"The Government's policy on the up-rating of the UK State Pension for recipients living overseas is a longstanding one of more than 70 years and we continue to uprate state pensions overseas where there is a legal requirement to do so."