

# Big state pension changes set to come in from 2022

The new rules affect who can claim the state pension

By [Sophie McCoid](#) James Rodger Regional Content Editor 07:39, 12 MAY 2021 [News](#)

The government is set to make a big change to how state pensions are calculated for people who are intending to retire abroad.

The changes, which come into effect from January 1, 2022, affect if a person qualifies for [a state pension](#) or not.

Under the new rules, UK citizens living in Australia (before March 1, 2001), Canada or New Zealand won't be able to count the time they spent abroad as a qualification period for the [state pension](#) - [reports Birmingham Live](#).

According to personal finance experts at [money.co.uk](#), [state pensions](#) are just one of the key financial preparations that you need to carry out if you're preparing to emigrate.

James Andrews, senior personal finance editor at [money.co.uk](#), said: "The recent changes to [state pensions](#) serve as a timely reminder that you have to put a comprehensive financial plan in place if you're intending to retire abroad."

He added: "For starters, the process of moving your money overseas can take quite some time, so it's best to start as early as possible.

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"In some countries for example, you can't even set up a bank account without a residential address there, so it might be worth applying for a prepaid travel card or current account to act as a stop-gap while you sort out the Ts and Cs.

"The quickest and easiest way to get an overseas bank account set up is to speak to your existing bank to see if they have a presence abroad – it'll make moving your money to your desired country much easier.

"The other issue that needs careful consideration is your credit history.

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"When you emigrate, your credit history unfortunately doesn't move with you

– meaning you'll be starting completely from scratch.

"In practice, this will likely mean a massive reduction in your borrowing potential, so you need to have a plan in place in case of unexpected bills.

"Since you might not be able to rely on a credit card or qualify for a loan, it's a good idea to have some emergency funds in place to see you through any financial difficulties."