

U.K. pension policy in Canada amounts to 'elder abuse,' says MP

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Green Party MP Paul Manly says the 136,000 British pensioners who live in Canada are being “abused” by the British government, and this country must do more to help them.

Manly’s constituency in B.C. includes more than 3,000 British pensioners, who aren’t entitled to the same annual inflation-based increases to their pensions as British pensioners living in the U.K., the U.S., and several other countries.

Manly told iPolitics on Wednesday that U.K. pensioners living in Canada,

Australia, and other Commonwealth countries are “getting the short end of the stick on this one.”

“This is elder abuse, and it’s theft,” Manly said. “When people pay into pension programs in good faith to governments to invest on their behalf, it’s an agreement with the government; it’s a social contract.”

Manly and Conservative MP Matt Jeneroux appeared virtually on Wednesday before the U.K. All-Party Parliamentary Group on Frozen British Pensions to provide an update on what parliamentarians on this side of the Atlantic are doing to help U.K. pensioners in Canada.

Part of that update included a motion Manly tabled in March in the House of Commons, which stated, in part, that “frozen U.K. pensions represent an injustice to both U.K. pensioners in Canada and to Canadian taxpayers.” The motion received unanimous consent.

Furthermore, members of the standing committee on International Trade presented their report earlier this month to the House on a possible transitional trade agreement, which would allow free trade to continue until a new deal is reached between the U.K. and Canada.

Canada missed an opportunity by not including in the committee report any reference to the U.K. pension issue, Jeneroux told iPolitics in an email on Wednesday.

On Tuesday, the [British government sent out a notice asking businesses and other stakeholders for their input](#) on a new free-trade agreement with Canada, with negotiations set to begin later this year. Contributions will be accepted until July 12. Questions about U.K. pensioners living abroad aren’t included, however.

In February, Ian Adexser — chair of the Canadian Alliance of British Pensioners, a not-for-profit organization that lobbies the U.K. government to “end the discriminatory policy of freezing pension payments based solely on a pensioner’s country of residence” — advised members of the International Trade committee to encourage the Canadian government to use future trade negotiations with Britain to push it to change its policy.

The U.K. has said it would not negotiate any new agreements with British pensioners living overseas, but Adexser told iPolitics earlier this month that, when Brexit was negotiated, the British government agreed to index pensions with EU countries. He pointed to 27 new agreements that have been signed since Brexit negotiations with countries including Norway and Lichtenstein. Adexser says it’s also in Canada’s economic interest for the U.K. to reverse this practice.

“The U.K. policy costs Canada half a billion dollars every year through lost tax revenues and social benefits paid to those pensioners who fall into poverty.”

Adexser has written to every MP in Canada, including Prime Minister Justin Trudeau, Trade Minister Mary Ng, and Conservative Party Leader Erin O’Toole. He says Seniors Minister Deb Schulte has been “unapologetic in her support for frozen pensioners.” Schulte’s mother is a “frozen pensioner” herself; the family moved to Canada when Schulte was six.

Schulte also appeared before the U.K. All-Party Parliamentary Group Inquiry on Non-Indexed British Pensions earlier this year, and supports the proposal “that the two countries negotiate a comprehensive social-security agreement that would provide for the indexation of U.K. pensions,” spokesperson Daniel Pollak wrote in an email to iPolitics.

“Our government will continue to advocate for British pensioners by urging

our U.K. counterparts to undertake an agreement with Canada that would allow British pensioners living in Canada to receive inflation-adjusted pensions, as is the case for Canadian pensioners living in the U.K."

However, the Canadian government views frozen pensions as domestic policy, so is not including it in trade negotiations.

A spokesperson for the U.K. Department for Work and Pensions told iPolitics that people leave the U.K. for many reasons, and should visit the government's website to understand what a move abroad might mean for their state pension.

"The government's policy on the up-rating of the U.K. state pension for recipients living overseas is a longstanding one of more than 70 years, and we continue to up-rate, (raise the value of) state pensions overseas, where there is a legal requirement to do so."

At present, the U.K. government is standing by its policy for U.K. pensioners in Canada, and refuses to pay them inflation increases.