Warning over State Pension rule that's frozen 520,000 payments

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There is still much debate about what will happen to the State Pension in 2022 because the triple lock system used to work out annual rises indicates it could go up by a whopping 8 per cent.

But there are people who will never get any rise in their pension payments ever again.

A little-known rule of the State Pension means that under certain circumstances, the sum is frozen at the same level – and there are already 520,000 people affected by this.

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And more than 18,000 people have so far signed a petition to end the practice of freezing some UK State Pensions.

The issue arises because the State Pension will only increase each year if a person lives in the following countries:

- The European Economic Area (EEA) – this includes the EU countries plus Iceland, Liechtenstein and Norway
- Switzerland
- Gibraltar
- Countries that have a social security agreement with the UK

The DWP explained that the social security agreement applies to:

- Barbados
- Bermuda
- Bosnia-Herzegovina
- Gibraltar
- Guernsey
- Isle of Man
- Israel
- Jamaica
- Jersey
- Kosovo
- Mauritius
- Montenegro
- North Macedonia
- the Philippines
- Serbia
- Turkey
- USA

Although the UK does have social security agreements with Canada and New Zealand, you cannot get a yearly increase in your UK State Pension if you live in either of those countries.

The End Frozen Pensions Campaign hopes to be able to reverse the policy of State Pensions being frozen when a person moves to certain overseas territories.

It gives an example as follows: "Anne is 95. She served in the Second World War and worked in the UK up until the age of 76. She paid her National Insurance in full. But the British government now thanks her with the indignity of a 'frozen' pension.

"Anne's pension was 'frozen' at £72.50 per week when she left the UK for Canada to be closer to her daughter and grandchildren.

"Her pension doesn't increase in line with inflation so it falls in real value year-on-year. If she had stayed in the UK she would be getting £134.25 per week.

"Astonishingly there are over 520,000 British pensioners in similar positions, most of whom live in Commonwealth countries, whereas other countries like America and the Philippines are unaffected."

End Frozen Pensions campaign spokesperson Paul Gaffney told the Express: "For a lot of pensioners, whether they have the financial resources to support themselves is essentially irrelevant.

"At the end of the day, they aren't getting anywhere near the kind of pension they paid into. If they lived in the UK, they would actually be costing the Exchequer more in things like the Winter Fuel Allowance, the pension benefits, the NHS services.

"And in the last 10 years of your life, by the very definition of later life, you tend to cost the NHS a fair bit.

"This is what is found deeply unfair. They aren't costing the UK anything other than a pension, and they aren't even getting the full sum."

He knew of one 82-year-old expat living in Canada who had to find a job driving a school bus in order to make ends meet because his UK State Pension was not enough to live on.

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A DWP spokesman said: ""The Government's policy on the uprating 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.

"We understand that people move abroad for many reasons and that this can impact on their finances.

"There is information on gov.uk about what the effect of going abroad will be on entitlement to the UK State Pension."

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