

I'm still working at 70 – My UK pension is frozen because I live in Canada

The Brexit deal protected pensions for British expats in Europe, but for 500,000 living in Commonwealth countries like Canada, Australia and New Zealand they are frozen

[Claudia Tanner](#) March 8, 2023 10:21 am



Barbara Reynolds is one of 500,000 British expats who have had their pension frozen (Photo: Barbara Reynolds)

Barbara Reynolds was looking forward to retiring and spending time with her daughter. But instead of relaxing, the 70-year-old is forced to work to make ends meet.

The British national, now living in Nova Scotia, Canada, gets pain in her back standing for hours working as a cashier at a grocery shop. But with her [pension](#) frozen at £92 a week and her monthly rent costing £980, she has no choice.

She is one of 500,000 elderly Britons living overseas who do not receive any annual increases in their state pensions, resulting in declining real term value and some facing [poverty](#) in old age.

Under rules that have been in place for the past 70 years, a UK pensioner who moves abroad will have their state pension frozen at the level it was at when they left the country or first claimed their pension overseas, unless the country they move to has an agreement with the UK that says otherwise.

Barbara, who was born in [Canada](#) and moved to the UK as a teenager with her Scottish parents where she settled for two decades, paid all the necessary National Insurance contributions, and made a payment of around £9,000 to top up these up.

But if she remained in the UK she would be getting over £250 more a month [from April when pensions go up](#) to £156.20 a week.

"I never dreamt in a million years that I'd still be working at 70 in order to live," the former judicial assistant told i. "If you've paid into your pension – like I have done for 23 years – what difference does it make where you live?"

"I live a simple life, I never travel, I don't go out. But the cost of everything has gone crazy since Covid. I fear for my future."

Some pensioners are being paid as little as £40 a week. Last year, it was reported Patricia Coulthard, aged 100, who was a nurse in the Second World

War and moved to Australia in the early 90s to live near her children, receives £46 a week.

A [petition](#) to urge the Government to seek new agreements has attracted more than 71,000 signatures.

Calls for urgent review

There are 385,000 British expats living in the EU with their pensions protected under the [Brexit](#) withdrawal agreement. In the US, there is also a reciprocal deal for the 128,000 Brits there.

But most British Commonwealth countries are included in the frozen list – impacting 224,000 British pensioners in Australia, 126,000 in Canada, 64,000 in New Zealand and 31,000 in South Africa.

The issue has been raised and debated in Parliament on numerous occasions and the policy has also been subject to an unsuccessful legal challenge. But successive governments have been reluctant to take action because of the extra £640m cost to the £110bn a year pensions bill.

Campaigners argue that not making deals could be more costly, because if poor pensioners are forced to return to Britain they are likely to need social housing, will have to join long NHS waiting lists, and in time may need social care.

The [All Party Parliamentary Group on Frozen British Pensions](#) has called on the Government to “urgently review the ‘frozen’ pension policy given the evidence of destitution facing many UK pensioners overseas”.

It expressed most concern about “veterans, former public servants and members of the Windrush generation who have returned to their country of birth”.

According to the group, only one in ten people were officially informed of the

financial impact on their pensions before leaving Britain.

The chair of the Canadian Alliance of British Pensioners Ian Andexser said: "We have been fighting the UK Government for over 20 years to stop the injustice inflicted upon British pensioners living in Canada. The UK pension never goes up each year in Canada as it does in other countries such as the USA. This policy is wrong, immoral and discriminatory.

"The British Government claims it cannot afford to change its policy, but the UK pension fund is predicted to have an estimated surplus of £64bn at the end of 2023."

The International Consortium of British Pensioners estimates it would cost only £30m for a cheaper partial uprating.

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However, the Department for Work and Pensions told **i** it is inaccurate to suggest there's a surplus in the National Insurance Fund (which holds national insurance contributions) to draw upon. It said that in the medium term, money collected will match predicted spending on pensions.

The Government says it has no plans to change this long-standing policy. A spokesperson said: "Our priority is ensuring every pensioner receives the

financial support to which they are entitled.

"We understand that people move abroad for many reasons and we provide clear information about how this can impact on their finances.

"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."

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