

THE BIG QUESTION

Should expats get the state pension increase?

Saturday December 10
2022, 12.01am GMT,
The Times

Conservative
Party

Jeremy Hunt



For many expats, their pension payments are frozen in time

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Yes

John Duffy, the chairman of the International Consortium of British Pensioners

When the chancellor, Jeremy Hunt, committed in his autumn statement to increasing state pensions in line with inflation, it was to support British values of compassion, dignity, and fairness. But his pledge to support “not just poor pensioners but all pensioners” ignored the half a million people around the world who have a British pension that is frozen.

The frozen pensions policy is the shameful legacy of successive governments – their excuses are as old as the injustice and do not hold up to scrutiny.

This overseas lottery means that British pensioners living in Canada or Australia are denied their full, uprated state pension while those in the US or the EU are not; pensioners in Jamaica get the uprating but not those in Antigua.

For many people, pension payments are frozen in time. Some expats get as little as £22 a week, because the amount is based on when they first retired or settled overseas. That compares with a current rate of £185.15 a week for the full state pension.

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John Duffy says pensioners are being treated unequally

The government will claim that pensioners knew about the policy when they moved abroad and that the cost of uprating is prohibitive. This ignores the fact that these are pensions we worked for.

The worst excuse is the rehashed line about historical precedent and there being no legal requirement to change. We know overseas governments are ready to work with the UK on new agreements that would end this injustice.

If we have paid the same dues, contributed to our country throughout our working lives, why must we be treated unequally based on geography alone. We do not want special treatment; all we want is the same treatment.

No

Darren Cooke, an adviser with Red Circle Financial Planning



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Discover]]] (;]

The original purpose of the state pension should not be forgotten — it was introduced to give the older members of society a chance to leave the workplace without being at risk of being left destitute. It remains as a state benefit, paid to provide people with a basic living standard in retirement.

Each year the state pension is increased to help ensure that incomes can keep up with the cost of living. Under the government’s triple-lock guarantee, it rises by the greatest of inflation, average wage growth, or 2.5 per cent.

If you move abroad you will still be entitled to a state pension based on your national insurance contribution record. But I think it is right that you do not then qualify for increases that are linked to inflation in the UK.

The state pension isn’t meant to provide you with a life of luxury in the sun, it is there to provide British pensioners with a minimum income.



Darren Cooke argues the money would be better spent on social care in the UK
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It has long been known that expats do not get inflationary increases in the state pension. Anyone considering moving abroad should have factored this in.

Yes, these people have paid the same contributions as UK pensioners but state pension money paid to expats is not spent in the UK, not put back into the UK economy. The government does not benefit from income tax or VAT.

The state pension is already the second largest single cost that the government has to meet each year, behind the

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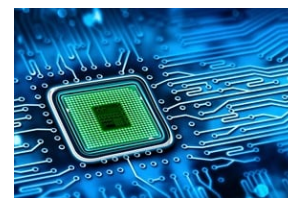
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Nigel Nelson



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We are constantly told that our Income tax & NI payment are to pay current pensions. So why shouldn't the next generation pay for ours irrespective of where we decide live in our retirement.

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Alistair Stewart

Precisely. The State Pension, along with a few, smaller benefits are paid for out of the National Insurance Fund (NIF). This fund is currently holding an EXCESS of £62 BILLION. The cost to uprate the State Pension? £630 million - I know it sounds a lot, and it is.

However, the Treasury does save around £900 for each of the 1.1 million pensioners living overseas, after taking into account foregone taxes (both direct and indirect), as compared to the cost of the NHS, social housing and other social welfare benefits. So, the cost to update pensions can come out of that ensuring that UK taxpayers do not have to pay any extra tax or National Insurance contributions. This is a win/win, if only the UK Government could see that.

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B

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Darren Cooke's argument falls at the first hurdle - "why should people outside uk get increase based on uk inflation", but to only impose this on a selected group of OAPs is divisive. In fact dig deeper there are other anomalies. My brother in law lives in Canada and his OAP is frozen, as is his NHS pension (he was a paramedic), but a disability pension is updated.

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Buckden Bursar**N**OUR AGO

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It certainly is unfair and discriminatory - if you retire to the US you get the increase each year, but retire next door to Canada and you don't. This is a post code lottery.

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R

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Nigel Nelson

56 MINUTES AGO

Of course they should. They have paid into the system. I expect the people who have never worked a day in there lives will eventually expect a pay rise in the state pension

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Rob Owen

2 HOURS AGO

S

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No they shouldn't. They'll take the money whilst slagging off the country. That's my experience with my father in law. Cleared off to France and moans about the UK at every opportunity but cannot tell you a single thing going on in France. Thinks the sun shines out of Germany's bottom. Still takes the Queens shilling

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D Comments a Lot

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2 HOURS AGO

"No they shouldn't. They'll take the money whilst slagging off the country. That's my experience with my father in law.."

So we would all have to blame your father in law? 😊

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N

David Moore

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18 MINUTES AGO

The King's Ransom might be more appropriate. I live in Canada and do not get the annual increase. If I had retired to the US, which is less than 100 miles south, I would get the annual increase. Pure discrimination.

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C

Nigel Nelson

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52 MINUTES AGO

The problem is that the state pension is a Ponzi scheme.

The contributions made in the past are for pensioners at the time, unlike contributions into private pension schemes where they represent an investment for the future.

Governments need to change their accounting procedures.

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Chris W

3 HOURS AGO

L

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If the purpose of the state pension is to ensure 'people are not left destitute and have a basic standard of living' then surely we could save a fortune by means testing it so that those with decent private pensions and investments that fulfil that requirement cannot claim the state pension.

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T

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Tomer

4 HOURS AGO

No, I disagree. You should not punish people who have saved for their retirement. If you implemented your policy you'd likely disincentivise people in the middleground from bothering to make any additional provision and only increasing the the burden on the state. Why bother to save if every additional £1 in personal pension is just clawed back by reduction in your state pension? Everybody should get a basic state

pension based on their contributions regardless of their other sources of income. Also, don't forget that the government does benefit because personal pension that might otherwise be tax free (if you had no state pension) falls into tax!

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C

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Agree to the increase... bit then tax it at 20% before it is sent abroad...

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N

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...as long as you do that for the 600,000 pensioners living abroad who already get the increase.

4 HOURS AGO · Reply · ☆ Recommended (0) · Share



49 MINUTES AGO



it is there to provide British pensioners with a minimum income.

Minimum being the operative word. Unless of course you happen to become member on The House of Shame at which point you're sorted for life with access to an unlimited petty cash tin -when not appearing on the tele whilst in the jungle.

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4 HOURS AGO



"The state pension isn't meant to provide you with a life of luxury in the sun, it is there to provide British pensioners with a minimum income."

This is clearly not true though, is it? That's what pension credit is for. You could have an income of £10m a year and still receive the state pension.

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Alex

4 HOURS AGO



Those that pay in, should reasonably expect to take at the other end. If the rules are changing then let us know before we contribute.

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Glasshalffull

5 HOURS AGO



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