**End Frozen Pensions: A Briefing**

## What is the *Frozen Pensions* Policy?

All UK pensioners with national insurance contributions are entitled to a British state pension regardless of where they live. However, **nearly half a million UK pensioners overseas are excluded from annual payment upratings** because they live in the 'wrong' country. This means their pension is 'frozen' at the level it was when they left the UK or first withdrew their pension, falling in real value year-on-year. Government inaction to address this issue is a stark failure to protect our most vulnerable and is leaving our own citizens in poverty. **All it takes to end this injustice is domestic legislation** – the Government could choose, if they so wish, to unilaterally uprate the state pensions of UK pensioners in absence of a reciprocal agreement. Despite this, the Government insists that it will only uprate pensions in countries where there is a legal requirement to do so.

**The Canadian Government has made several known attempts, most recently in April 2023, to form a reciprocal social security agreement with the UK. However, the UK Government has continually refused to engage with Canada on the issue.** We believe it is grossly unfair that the Government insists it will only uprate state pensions in countries with a reciprocal uprating agreement, but then refuses to engage on forming new agreements when the opportunity is raised.

Since January 2024, British citizens overseas now have the 'vote for life' and the opportunity to take part in UK General Elections. **This will finally give current and future frozen pensioners, a large proportion of overseas voters, an opportunity to have their voices heard in UK politics**. A survey by the End Frozen Pensions campaign found that over 90% of those impacted by the frozen pensions policy would be likely or very likely to vote for a party committed to ending frozen pensions in the next general election.

**A partial uprating of the state pension for all 'frozen' overseas pensioners, uprated at the date of the policy change, is estimated to be £307 million over the next five years**. This represents a cost to the Treasury of approximately £60 million per year, **or 0.05% of the total state pension payments in the year ended 31st March 2023.** Additionally, state pensioners living overseas save the UK millions by not relying on national medical or social services. The International Consortium of British Pensioners estimates that, on average, each British pensioner living overseas saves the UK taxpayer £2,616 per year.

## History of the frozen pensions policy

The policy is the result of **historical reciprocal arrangements** between the UK and a handful countries to allow for state pension uprating, with the list of countries affected by the policy illogical and incoherent. For example, UK pensioners residing in the US receive a fully uprated UK state pension, whilst those living in Canada receive a frozen state pension.

From 1948 to 1973, the UK entered into numerous reciprocal agreements with countries that guaranteed the uprating of state pensions. The UK's membership of the EU also included a reciprocal uprating arrangement, which covered the uprating of UK state pensions of UK pensioners living in the European Economic Area.

Between 1981 and 2019, no further agreements were made to uprate the pensions of UK pensioners overseas, **leaving nearly 4% of UK pensioners without annual state pension increases**.

Following Brexit, the Government entered into an agreement to maintain that uprating for those living in the EU before the end of the transition period. **This contradicts the Government's position that it is not willing to enter into new reciprocal agreements**.

## The impact of the frozen pensions policy

Over **90%** of frozen pensioners live in Commonwealth countries with close cultural ties to the UK, including:

- 208,337 living in Australia
- 113,840 living in Canada
- 61,362 living in New Zealand
- 26,685 living in South Africa

British Pensions in Australia (BPiA) count 48 of the 52 Commonwealth countries as 'frozen' and argues this is not in keeping with the Commonwealth Charter which states that **"the Commonwealth is implacably opposed to all forms of discrimination".**

**Anne Puckridge**

Anne Puckridge is a 99-year-old WWII veteran of all three branches of the armed forces. She receives a UK state pension of just £72.50 per week because she moved to Canada in 2001, aged 76, to be closer to her family.

Her state pension has since been frozen in time, remaining at the 2001 rate despite her making the maximum pension contributions.

**Peter Duffey**

In September, Peter turned 98-years-old. His pension remains at £46.90, the same level it was when he retired in 1990, the same year in which the current Pensions Minister turned 6 years old.

He lives next to the US-Canadian border, meaning that if he moved 600 yards to live in the US, he would receive a fully uprated state pension.

**Roger Edwards**

Veteran Roger Edwards joined the Royal Marines in 1963, serving during the Radfan confrontation before being commissioned into the Royal Navy. In 1982, during the Falklands War, served at Pebble Island, Goose Green and Darwin.

Roger now resides in the Falklands, where he receives a frozen UK state pension of just £106.50 a week and is now losing £1,800 per year due to the policy.

**Monica Philip**

82-year-old Monica Philip was born in Antigua and moved to the UK when she was just 20 years old. She spent 37 years working in the UK, including as a civil servant for 15 years at the Ministry of Defence and for the City of London Social Services.

Monica returned to Antigua in 1996 to care for her ailing mother. Her state pension has been frozen at just £74 per week, almost half the rate of her sister Naomi, who still lives in Leicester.

**Peter Sanguinetti**

83-year-old Peter Sanguinetti is a veteran who served in the Dorset Regiment and was stationed in the West Indies.

Now, because he moved to Canada, his state pension has been frozen at £90 per week, and he was forced to work part-time as a school bus driver long past the time when he should have been enjoying a well-deserved retirement.

**Nancy and Gretel Hunte**

90-year-old Nancy Hunte and daughter, 66-year-old Gretel, moved to the UK from Antigua. Nancy worked for 33 years in Leicester, while Gretel spent two decades working in British factories.

Because they have returned to their home country, Nancy has now missed out on £70,000 in pension payments, receiving just £39 per week – less than a third of the full state pension she deserves. Now that Gretel has reached retirement age, she faces the same fate as her mother.

The APPG on Frozen British Pensions also launched an inquiry that recommended an end to frozen pensions. The inquiry surveyed UK pensioners living on a frozen pension, and found that:

- 49% received £65 per week or less
- 51% struggle financially as a result of their frozen pension.
- 58% said their financial difficulties are compounded by the fact that their partner or spouse also lives on a 'frozen' pension.
- 46% work or have worked in the past to supplement this lost income
- 40% were former public servants
- 86% were unaware that their state pension would be frozen when they left the UK.

**The UK Government's frozen pensions policy is an illogical one which unfairly prevents the pensions of nearly 4% of British pensioners being uprated in line with inflation. This leaves many of them facing a retirement of poverty and financial hardship, as shown in the pensioner stories throughout this briefing. With inflation rising around the world, the financial pressure frozen pensioners are facing is only getting worse.**

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