

Pension Fact Sheet



Issued on behalf of the International Consortium of British Pensioners, these Fact Sheets support the 20 year story of the fight for PARITY by 540,000 UK State Pensioners. Why should they be deprived of annual indexation of their pensions because they live in certain countries while another 565,000, living in other countries, are not ?

Why pay pensions to overseas residents

People sometimes ask why British pensioners resident overseas should be paid any pensions at all. They argue that pensions are paid out of current taxation, and it is wrong that those who have gone overseas should receive any pension.

Fact: The answer is simple. They have paid for their pensions. Throughout their working lifetime in Britain, they paid their taxes, paid their National Insurance Contributions and met the cost of paying the pensioners of their day, just like everybody else.

Fact: As well as the basic contribution for pensions, they paid for additional pensions (graduated and SERPS) either to the state NIF or to a contracted out pension scheme. Many of them also paid for private pensions through life insurance or other finance companies.

Fact: Some paid from 16 to 65 (or 60), thus earning the full pension, and when they got their pension some decided to join their children who had emigrated many years before, and spend their retirement with their grandchildren. Our question is: "Why should they not be paid their pensions?"

Nobody would deny them their private pensions, nobody would deny them their contracted out pensions, so why should they be denied their state pensions from the NIF ?

Fact: Those who emigrated before completing a full working life have not earned a full state pension, and are not entitled to the full state pension from the NIF. They are, however, entitled to get what they paid for - not a penny more.

Fact: British pensioners resident overseas are subject to a kind of lottery. If they have chosen to emigrate to one of the favoured countries, their pensions will be indexed each year in line with the pensions paid to UK residents. But if they have chosen badly, their pensions will be "frozen" at the time when they are first paid in their new country.

Fact: If their first payment was £46.90, (the rate in 1990) then it will always be £46.90 even 20 years later in 2010; it will not keep pace with world-wide inflation.

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