

### **£3 pension results in pension poverty**

Evidence of frozen pensioners who are heavily reliant on UK weekly pensions currently as low as £3.38 (Cnd\$7.75) have been recorded in a summary<sup>1</sup> of a sample of 13 impoverished British expatriate pensioners living in South Africa and Canada. The summary forms part of a Report of an Inquiry into Pensioner Poverty undertaken by the UK Social Security Select Committee. At the same Inquiry, UK Pensions Minister Jeff Rooker told the Committee<sup>2</sup> he would not be able to live on a pension of £78/week. According to pensioner advocacy groups, the most poverty-stricken pensioners will be found among the 460,000 frozen pensioners living primarily in Commonwealth countries. Contributing to their dire financial straits has been the cumulative loss of pension uprating amounting to as much as £54,000 (Cnd\$124,000) in the years since their pensions were first frozen. Britain has never paid any uprating to 54% of its expatriate pensioners, 98% of whom live in the Commonwealth.

Although expressing sympathy for what it described as “the important issue” of frozen pensions, the Select Committee “decided not to revisit the matter examined by our predecessor Committee (reported 1997)”. The Committee repeated the conclusion that “there was no discernible rationality in the system whereby retirement pensions paid to people living in some countries were uprated but not others; and that a simple change in British law could enable upratings to be paid in any or all overseas countries, provided there was the political will to do so”.

British MP Peter Bottomley, commenting on the study of pensioner poverty just completed by the World Alliance of British Expatriate Pensioners, said: “This is shaming. The oldest and many of the poorest suffer most. Parliament has approved increases for overseas pensioners in countries where there are fewest. Now is the time to act for all, ending unjustified financial discrimination. After all, the taxpayer is saving medical costs and possible housing benefits for every elderly person living abroad”.

“The Committee continues to sympathize with those pensioners affected by the irrational and discriminatory policy of freezing the pensions of 460,000 of its most elderly citizens,” says a Canadian Alliance spokesperson. “However, it missed an opportunity to make Cabinet members squarely face the problem of poverty amongst the frozen. The World Alliance survey clearly puts a human face on the devastating effect of pension freezing on pensioners with the lowest income. The Pensions Minister admitted to the Committee he could not live on a pension of £78/week. Yet he and his colleagues stand by and watch frozen pensioners make do with as little as £3.38/week. In fact how would any frozen pensioners not be severely affected by being cheated out of as much as £54,000 during their retirement years. Continuing shame on Britain and the Cabinet members who permit this disgraceful situation to continue”.

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<sup>1</sup> “Pensioner Poverty” Inquiry Report of the UK Social Security Select Committee, released August 2, 2000; HC 606, Session 1999/2000; ISBN 0-10-256200-8. Also available on the DSS website.

<sup>2</sup> “Pensioner Poverty” Inquiry Report, page 86, paragraph 251