



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Paul Manly

Member of Parliament
Nanaimo-Ladysmith

Secretariat of the APPG for Frozen British Pensions

July 31, 2020

My name is Paul Manly. I am a Canadian Member of Parliament for the federal riding of Nanaimo-Ladysmith, in British Columbia. I have a number of constituents who are British pensioners affected by the frozen pensions issue. These constituents have been in regular contact with my office, asking me to advocate on their behalf. It was hopeful news to hear that the APPG for Frozen British Pensions has been re-established, and to have an avenue through which to provide this input. I believe British pensioners living in Canada deserve fair treatment. I have petitioned the Canadian government to address this issue and negotiate a reciprocal agreement with the British government.

There are approximately 150,000 recipients of the UK state pension residing in Canada. These British pensioners are suffering a discriminatory injustice because the British government does not provide them with annual increases in their pensions tied to the rate of inflation. Their pensions are frozen at the rate they were when they left the UK. Whether a pensioner living in Canada lives 10, 20, 30 years or more past retirement, there is no annual increase in their benefits, ever.

This state of affairs is not universal for British pensioners living outside the UK. Of the estimated 1.2 million British pensioners living outside of the UK, just under half have their pensions frozen. The remainder receive their annual inflation increases as if they were still living in the

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UK. According to the Canadian Alliance of British Pensioners, if these pensions were to be unfrozen, British pensioners would receive an additional £170 million annually.

This situation means that many British pensioners in Canada have insufficient income to afford basic necessities, and must rely on Canadian social assistance. Beyond being unjust towards the pensioners themselves and making a mockery of their equal rights as citizens and subjects of Her Majesty the Queen, this situation is also an undignified way for the British government to be treating a close ally such as Canada, which is also a member of the Commonwealth. It flies in the face of decades of cooperation and mutual aid through good times and bad.

In the 1950's, in the early days of the British National Insurance, the UK state pension was not indexed for pensioners living abroad. Over the next three decades the UK negotiated reciprocal agreements for pension indexing on a country by country basis. There was an attempt to negotiate an agreement with Canada in the 1970's, but it did not bear fruit. In the early 1980's Canada approached the UK to sign an agreement, but by 1982 the UK had stopped signing new pension indexing agreements. The UK is now the only country in the OECD that pays its pensioners differently, based on their country of residence.

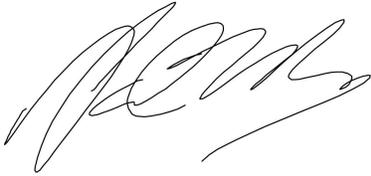
In practical terms, this means that a 90 year old British pensioner who has been living in Canada since retirement might receive a full pension of £41.15 per week, whereas a 65 year old British pensioner just retiring in Canada will get £110.15 per week.

Canada provides our pensioners living in the UK with annual rate increases. Canada does this because it is the right thing to do, even though Canada does not have an agreement with the UK. According to the Canadian Alliance of British Pensioners, Freedom of Information Requests to the UK government have established that no international agreement is required for them to unfreeze the pensions. It would simply be a matter of domestic regulation.

Apparently this issue has been raised before in meetings between Canadian and UK ministers, but the UK government has refused to take action. The UK Minister of State for Pensions has stated that were they to cancel the pension freeze, some of the benefits would flow to the Canadian government, in the form of reduced subsidies being paid by our government to low income pensioners. This is a clear acknowledgement that the Canadian government is subsidizing British pensioners living in our country.

I look forward to hearing that this unjust situation is finally made right.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Manly', with a stylized, cursive script.

Paul Manly
Member of Parliament
Nanaimo-Ladysmith

Cc: The Right Honourable Justin Trudeau, P.C., MP, Prime Minister of Canada

The Honourable Deb Schulte, P.C., MP, Minister of Seniors

The International Consortium of British Pensioners

The Canadian Alliance of British Pensioners

The Canadian Association of Retired Persons

The British High Commissioner

The hon. Caroline Lucas, Green Party M.P. for Brighton, U.K.