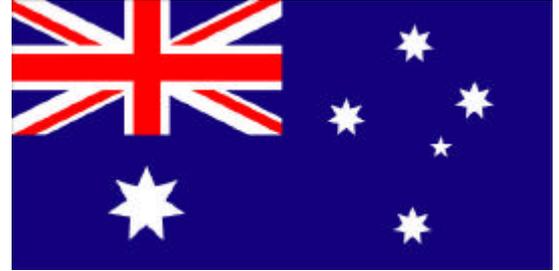


British Australian
Pensioner
Association Inc



NEWSLETTER Number 29 Spring 2008

FOCUS ON EQUALITY

FROM THE PRESIDENT

There have been many happenings since the last Newsletter. If you have access to the internet and are on the BAPA email news group you will have been advised of many of them. Among them are:

MEETING WITH JENNY MACKLIN

BAPA was invited to attend a meeting with the Minister, Jenny Macklin. This meeting was attended by our President, James Nelson, and also by Jim Tilley, Chairman of BPIA..

The date of the meeting was rescheduled several times for various reasons, but it took place at the Federal Government offices in Melbourne on 2nd July at 2.30pm. It lasted for one crowded hour. As well as the Minister and us the meeting was attended by Peter Hutchinson and Ryan Batchelor. Peter is a senior official in the department, and has been very helpful to us over the years. Ryan is an Adviser to the Minister.

The discussion covered a wide range of topics, including reporting on what we had been doing to bring the fight up to the UK ministers, the size of the NIF, helping pensioners to get the right to pay Voluntary Contributions—too many to report in detail here.

The Minister told us that she had been in touch with the appropriate Minister in the UK, and Peter told

us that they had been writing to Sir Leigh Lewis, the head honcho in the DWP

We thanked the Minister for her support. I raised the question of financial support, and she seemed to be favourably inclined. However there will be no immediate financial support. We will raise the matter again when the case is further along and we know what commitments for legal expenses the Consortium incurs.

PRIVATE MEMBER'S MOTION

Amanda Rishworth, MP for Kingston in South Australia, presented a motion in Federal Parliament, calling on the government to press the UK government to negotiate a new reciprocal agreement so as to grant parity to UK pensioners living in Australia.

Unfortunately, time ran out before the motion went to the vote, but the matter has now been aired.

APPEAL FOR ACTION

Members with email access were asked to help publicise the ICBP event at the labour party annual conference in Manchester. Thanks to those who responded. The event was held on 21st September. Reports elsewhere in this Newsletter.

PUBLIC SECTOR PENSIONS

Many members of public sector

occupational pension schemes are still not getting the treatment they are supposed to enjoy under the Treasury rules. The latest one to come to hand was from a frozen pensioner living in Mexico. It took some prodding, but he has now received his back pay with interest. His pension had been frozen since 1993.

A member sent me an article from the newsletter of the Civil Service Pensioner Alliance explaining in very clear terms just what is supposed to happen. You can see it on the internet at

www.britishpensions.org.au/psecipens.htm

The article suggests that such pensioners living in frozen countries should take the initiative and write to the International Pension Centre in Newcastle.

We say that the explanation given by the Civil Service Pensioners Association is all right so far as it goes, but in our view it should be an initiative of the DWP to search its database for cases that have been missed in the past. However, alerting pensioners to the situation and prodding them to write to the International Pension Centre is the next best thing. Besides, pensioners are probably better than computers at this kind of thing.

James Nelson, President

UK/AUSTRALIAN RECIPROCAL AGREEMENT

Jenny Macklin, the Minister for Families, Community Services and Indigenous Affairs has written to James Purnell, Secretary of State for Works and Pensions but she received very much the same rebuff as given by a previous minister, indicating that the UK government has no intentions of renewing the agreement. This is consistent with their view that uprating pensions could only be achieved by a reciprocal agreement and as they obviously do not want to go down that road it was an entirely predictable reply. However, Amanda Rishworth, my local Federal MP has introduced, in the House of Representatives,

a Private Member's Motion calling on the Government to seek a new agreement with the UK. In consequence of this Motion I wrote to all Federal Members seeking their support along bipartisan lines. The Motion was partially debated on 15th September with a further debate anticipated in the near future and should it gain sufficient support it may generate further discussions with the UK minister to open the door toward achieving indexation for the Australian expatriate pensioners. Hopefully it would also include other benefits similar to those specified in the previous agreement. Due to the unwarranted intransigency of the UK government there will no doubt have to

be some degree of compromise between both parties in order to achieve reciprocity, but if the will is there to eliminate this completely illogical, unfair and discriminatory practice of selective indexation I am reasonably confident that it can be achieved with a satisfactory outcome for all concerned. The UK National Insurance Fund surplus continues to rise and it is currently 52 billion sterling with an estimated surplus of 114 billion sterling by 2012/2013 so it is patently obvious that the 440 million sterling cost per annum to achieve universal indexation is affordable. **Jack Stoner Hon Sec**

WHERE DOES OUR MONEY GO

For over 50 years the United Kingdom has had a policy that deprives British State Retirement Pensioners of indexation on their pensions if they choose to retire to almost any of the old British Commonwealth Countries, or almost any other country, except the European Union or the United States, countries powerful enough to force Britain's hand.

During that time Britain has saved many millions of Pounds, which now form a significant part of the current surplus in National Insurance Fund (NIF) - close to 50 Billion Pounds Sterling.

This surplus is earning interest at the rate of over 200 Million Pounds a month. Two months of that Interest would be sufficient to upgrade the pensions of 525,000 British pensioners still alive, and grant them full indexation.

The Government tells us, the Frozen Pensioners, that they cannot afford to pay us the Pensions we

earned through a lifetime of contributions to the NIF because they need the

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money for Capital Projects such as Schools and Hospitals.

The current policy, however, is that the Government is not building Schools or Hospitals. Instead it is setting up Public Private Partnerships (PPP), the umbrella name given to a range of initiatives which involve the private sector in the operation of public services. The Private Finance Initiative (PFI) is the most frequently used initiative. The key difference between PFI and conventional ways of providing public services is that the public does not own the assets. The Government makes an annual payment to the private company who provides the building and associated services, rather like a mortgage.

A typical PFI project will be owned by a company set up specially to run

the scheme. These companies are usually run by a consortium including a building firm, a bank and a facilities management company. They are, of course, in it for profit.

Both School and Hospital projects are excellent and, no doubt, essential to the well being of Education and Health in Britain. We do not question that. What we do question is why they should be regarded by the UK Government as a reason for their failing to pay us our full pensions. Pensions we have contributed to at the same level as all those other pensioners in Britain, and favoured countries, who have their pensions indexed every year.

You can learn more about PPPs and PFIs by going to

www.unison.org.uk/pfi/index.asp

ANY VOLUNTEERS?

Each and every year the DWP cheerfully pocket 470 millions derived by freezing the pensions for 50% of expats who live in frozen countries. This effectively pays for the increases made to the other 50% of expats who live in countries like the USA or Israel and many other countries who do receive their annual increases each year! Doesn't seem fair does it? In addition, and during the life of this present government many more billions in sterling has been "tucked" away because the government has been re-

lieved from paying our Health and Care expenses. Further billions have been swallowed up and digested by the DWP by being excluded from distributing benefits such as Fuel Allowance, Free Travel, Free TV, Rate and Rent Rebates, Pension Credits, Carers Allowances and a host of smaller benefits too numerous to mention here.

So why do governments persist in freezing our pensions, saying that it is unaffordable for them to do so? Strange as it may sound it is because, apart from the DWP and a few selected "Friendly Members",

most MPs are unaware of these savings. All they are aware of is that it has been an issue for many years and that it will cost an awful lot of money to rectify it..... Whereas the truth is the opposite! This is what I have been endeavouring to explain these past weeks. I have written to senior Civil Servants and representatives plus many MPs explaining the true costs. But it needs many more letters from others to make them listen and perhaps change their minds.

Any volunteers?

Derrick Prance

LETTER TO MIKE O'BRIEN

(In answer to a question at the Labour Party Conference, O'Brien gave some spurious answers to questions about frozen pensions. Here is Peter Morris's response.)

Dear Mike O'Brien

Firstly can I thank you for coming along to our fringe event at the Labour Party Conference in Manchester last Sunday evening. I am writing to let you know that I reported your speech back to my colleagues and members of the British Australian Pensioner Association in Australia. From the arguments that you put forward, they are very concerned about the clouded thinking of the DWP, your advisors and yourself in regard to the frozen pension issue. Almost all of the statistics and arguments that you put forward at the fringe event referred to overseas pensions. The issue about possibly low contributions to the NIF, in some cases no contributions to the NIF (in the case of widowed wives, for

example), the fact that many overseas pensioners pay more tax to the overseas country than in the UK, the fact that many

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overseas pensioners have pensions paid for in that overseas country etc.

All of these arguments are relative to both uprated pensioners and frozen pensioners. So why you brought those out at a fringe event related to only the frozen pensioners shows some cloudiness in the thinking of the DWP. My colleagues and members in Australia feel very badly let down by your apparent lack of understanding about what the real issues are in this regard. The issue is about fairness and unfairness.

Your leader and our leader (I am a member of the Labour Party) said in his speech that "Fairness is in our DNA"!

Please let us see some of that fairness in relation to British overseas

pensioners.

The Labour Party seems to be able to support children both domestically and overseas to great

degrees, but when it comes to your own pensioners living overseas, you turn away. It costs money to help children living overseas and that money seems to be found one way or another. However, in the case of your own British pensioners living overseas, you always trot out the old argument that it will cost money.

As for making tough choices about spending—admit it—you are just continuing the Conservative Party Frozen pension Policy that has existed for decades. Your choice is to do nothing. We would have thought that the "fair" Labour Party might be able to do better than the Conservatives and actually make a change for the better.

Kind regards

Peter Morris CPA MIIA

MEETING WITH THE BARRISTER

It was standing room only at the meeting in Belrose. Scores of mostly grey Brits were there to hear Sydney-born London-based barrister Ben Olbourne brief pensioners on our case, now before European Court of Human Rights. Ben told us that our case was based on three points. The main one is that the UK's differentiation of treatment is without lawful justification. The supporting arguments are that our rights to a pension are being whittled away and that freezing violated the

rights of families to stick together. The Government, however, argues that you cannot consider just the pension, which is but one of UK citizens' many rights and obligations. They point out that the UK doesn't have the same agreement with us as with the EEC and the USA. We say: "You don't need agreements. Just pass the appropriate legislation!" And the government still trots out the old furphy "We can't afford it". Given the sub-prime fallout, can

they afford anything? The strength of the dissenting voice in the House of Lords judgement is seen as a huge plus for our side. But this is not a legal case, it's a political one. And when will the ECHR make a ruling? Well they have a backlog of 95,000 cases. And then what? The court can give the right to appeal. So don't spend the kids' inheritance if we win this round.

David Say

CATEGORY B PENSION

Pensions paid to widows and widowers are category B. But more important is the extra pension paid to a wife in right of her husband's contributions. It works like this.

If a man claims his pension and his wife has not yet reached pension age, then he can claim an extra pension for her as a dependant. There is a working test, so he will not get it if she is earning enough to be self-supporting. Once she reaches pension age (60

but rising) the supplementary pension will

focus on equality

stop, but the same amount will be paid to her in her own name and into her own bank account. There is no means test, no work test. It does not matter if the wife is not British or even has never been there.

The amount is nearly 60% of what the husband gets. But you have to ask for it. They do not auto-

matically switch the pension from a dependant pension into a category B pension for the wife. So keep your eyes on your bank account!

Where a wife qualifies for a pension in right of her own contributions she may be able to get some category B pension, but there is an upper limit, which often makes it not worth while paying voluntary contributions for her. You need to ask the DWP for advice and do your sums.

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| Grandchildren My young grandson called the other day to wish me Happy Birthday. He asked me how old I | was and I told him 62. He was quiet for a moment and then he asked, "Did you start at 1?" The next time he was visiting he asked, "Grandma, do you know | how you and God are alike?" I mentally polished my halo while I asked, "No, how are we alike?" "You're both old," he replied. |
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VOLUNTARY CONTRIBUTIONS

If you have not yet reached pension age it is worth while asking for a pension forecast. Write to DWP Pensions Service, International Pension Centre, Tyneview Park, Newcastle upon Tyne NE98 1BA, UK. In our experience, if you pay VCs the reward in terms of additional pension is handsome, especially if you can also claim a supplementary pension for your wife.

If you have already retired it may be possible to pay VCs for the last few years of your working life. Generally, the older you are the

less likely it is that they will allow you to pay. But a lot depends on what they told you when you first enquired about your pension. If they said "Your contribution record gives you 'nn' years and therefore your pension will be 'XX%' of the basic pension", then they ought to have told you about your rights to make back payments. If they did not tell you, then you have a good case to argue for the right to make back payments for as many as 8 years in some cases. You may need help in claiming this, so

ring 03 5664 3207 to talk about it. Ask them about class 2 contributions. They are much cheaper than class 3. Contrary to what is says in says in the booklets, qualification for class 2 is not limited to the self-employed.

One caveat: A couple must consider both the husband's and the wife's pension. There are situations where it is not worth while making extra contributions for the wife because of the way that her pension is calculated. If you want details, ring us and ask.

LABOUR PARTY CONFERENCE

ICBP was represented by John and Elizabeth Markham and Peter Morris. The conference started badly due to the extremely high level of security coupled with a high level of incorrectly produced electronic passes. Replacement passes took up to 4 hours to correct. We were also distracted by the fact that the organization (??) messed up our booking for our event and changed the venue; this meant that the first 24 hours was spent in an intense level of activity publicizing the change of venue.

The event was held on the second evening, ICBP were very well supported by Labour International and the European Parliamentary Labour Party. The event was chaired by Paddy Tipping MP (Sherwood), who is a strong supporter. The panel was formed by Mike O'Brien QC, Minister for Pension Reform, Gordon Lishman CBE, Director General of Help the Aged and Claude Moraes MEP (London). Gordon Lishman and Claude Moraes both made state-

ments supporting our position.



There were a number of supporting statements/questions from the floor (which was smaller than we had hoped for probably due to the late change of venue). The Minister responded in his usual manner by saying that whilst he was sympathetic to our case (he repeated this several times), there was no money available. He pointed out that pension equity for exportable pensions was on the government priority list but it was not near the top! Speaking personally his first priority, if he got any extra money was to raise domestic pensions in the UK. He agreed our statement regarding the history and status of the ECHR case and indicated that the ECHR finding was the next step as far as the government was concerned. John wound up the proceedings by stating strongly that as the issue was morality, money should

not enter into the debate. He then

thanked the panel for an interesting debate. Obviously most of the conference has been focused on healing the party and uniting behind Gordon Brown. Ed Miliband held an open house on suggestions for formulating the future Labour manifesto. Both Peter and John separately met with him and suggested that it should include pension equality for all. This was news to Miliband, who had no idea of the problem!!

John Markham

Children's logic "Give me a sentence about a public servant," said a teacher. One of the small boys wrote: "The fireman came down the ladder pregnant." The teacher took the lad aside to correct him. "Don't you know what pregnant means?" she asked "Of course" said the young boy confidently. "It means carrying a child."

TRAVELLING MERCIES

Recently a report circulated saying that there had been a change of rules regarding pension uprating whilst visiting the UK. Some desk clerk had told an enquirer that you would only get it for a visit of several weeks. We checked with the DWP and the official word is that this is totally untrue. The uprating is given for the duration of your visit to the United Kingdom and a number of (but not all) other countries where UK state pensions are updated.

The strict rule is that uprating is granted for every pension payday you are in the country. For example, most pensions are paid on Monday, so that if you are there from Sunday to Tuesday you get one week uprating. If you are there Tuesday to Sunday, you get nothing. But remember that the period includes time spent in Europe (except Andorra!), not just time spent in the UK. They don't always ask you to fill out a form, but if they do, don't be put off by a question about when you entered or left

the UK.

Time spent in the USA does not attract uprating.

They insist that you must tell them within two months of arriving. Our advice is:

1. Tell them before you go
2. Tell them when you get there
3. Tell them when you come back.

PENSION PARITY

A couple of years ago the idea of a web site dedicated to the International Consortium of British Pensioners (ICBP) was put to Tony Bockman, Chairman of the Canadian Alliance of British Pensioners (CABP) and Chairman of the (ICBP). It received a favourable reception but it was thought that the timing was not quite right.

Now that the ICBP case is about to be heard by the European Court the new International website www.pension-parity-uk.com has been launched. This site has no national allegiance—it represents all British State Retirement Pensioners, whether they live in the UK or overseas.

The Pension Parity site fully supports the fight for full indexation for all frozen pensioners, wherever they choose to live, and the case for parity in the European Court of Human rights. It also highlights the fact that Britain's Frozen Pension Policy deprives the whole working population in Britain of their right of choice as to where he or she would like to retire at the end of their working life.

Immigrants from Commonwealth countries, who came to work in Britain after WW2, when we needed their help, will have their hard

won pensions frozen should they choose to return home on retirement. The parents and grandparents who have chosen to live and work overseas are denied the right to their full pension, if they chose to join their families in most Commonwealth, and many other countries.

Take a look at our new site. Spread the word about it, in particular to your friends and relatives in the UK. Feel free to copy anything you see in it of interest for sending to Politicians in your own country or in Britain, with your own opinions added.

William
p-p-uk-webmaster@westnet.com.au

TREASURERS REPORT

Thank you to all the members who have contributed to the fighting fund, all contributions are tax deductible and every little bit helps.

We are now able to accept contributions through the banking sys-

tem which will make it easier for those of you who do not have cheques.

Bank details are
BSB 064 462
Account No
10157272

Please make sure your details are on the payment and send a contributions form in the post.

If there is any way you think you may be able to help BAPA please let us know

**Barbara Mather Treasurer/
Membership Secretary**