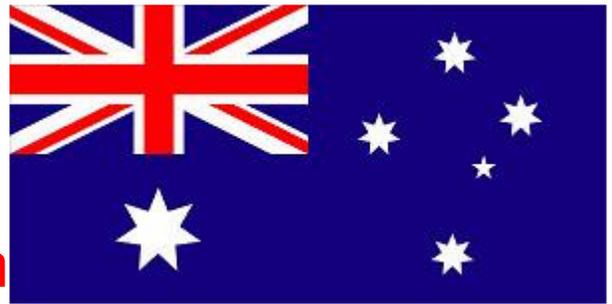


British  
Australian  
Pensioner  
Association



## NEWSLETTER Number 34 Winter 2013

### FOCUS ON THE FUTURE

#### President's Report

Peter Morris has relinquished the office of President and is now Vice President. James Nelson is once again your President. Peter suggested this step because of poor health.

The other major item of news is that we are no longer a member of the ICBP. This came about because CABP and BPiA decided to set up a new incorporated body. They have made provision for these two to have two votes each and for BAPA and BPAWC (Calgary) to have only one vote each.

We and BPAWC made it clear that we would not accept an inferior position and could not join the new body on these terms. They took the view that voting power should depend entirely on financial contributions, and refused to recognise that we have made enormous non-monetary contributions to the fight over the years.

#### **Steering Committee.**

BAPA needs members who are prepared to join our steering committee and help in the fight. We're getting a bit old and tired now.

Excellent pay- NIL ,  
Great hours- Lots, all you can spare  
Qualifications- none except an overwhelming sense of injustice.

#### WE WILL SURVIVE

As a founder member of BAPA I am confident that despite the unfair, immoral and discriminatory practice of selective indexation we shall eventually achieve our objective but we are in need of a change in our structural procedures in order to achieve a greater flexibility within our working group. To achieve this we must attract younger members to participate in our future projects in order to ensure that we can and will win our ongoing battle with the UK government.

Many people do not know that they could be entitled to a British pension. It is up to you to try to recruit them to our cause. Tell them about our web pages, where they can learn what they need to know about their rights. And better still if they are younger than the current committee!

#### **HUMAN RIGHTS ACT 1998**

Subsequent to the previously flawed judgment handed down by the judiciary in the Carson case there is one outstanding legal avenue which has not been addressed, namely Article 8 outlined within paragraph 3.73 of the Study Guide as follows :

**"Your right to respect for family life includes the right to have family relationships recognised by the law. It also includes the right for a family to live together and enjoy each other's company"** which I believe due to the pension freezing regime would not be

financially possible for any resident UK pensioner seeking family support within a frozen country. This aspect of the Human Rights Act has never been given the full recognition that it deserves which could be reasonably expanded to include any person that has made the required minimum NIF contributions who wished to emigrate to a frozen country could be made completely dependent on the welfare availability of the host country.

Jack Stoner - Secretary

### **SERPS STORY**

Derrick Prance, the BAPA Committee's SERP specialist is presently heavily involved with The Department of Work & Pensions over its decision to "Freeze" the State Earnings Related Pension.(SERPS). Derrick has evidence that it is illegal for the Government to freeze the SERP, as unlike the State Basic Pension the DWP are merely the Trustees of the scheme and as such should be distributing it equally among those who had contributed towards it and not, as they do now, allowing it to be used for many purposes other than the original intention laid out for the scheme when it was first envisaged. Derrick has also involved the Parliament's own Ombudsman and awaits her decision on the matter. Finally both Britain and the Australian media are showing interest. If and when it happens we will advise you by email on the bapaemail group.

### **LETTER TO THE DAILY MAIL.**

(in response to a reader's letter.)

DAVE CLARK, London SW16 has a point and he is not the only pensioner who is increasingly annoyed at the implications that we are a drain on the country. Half of the British citizens retiring abroad, who have paid their National Insurance contributions towards an indexed pension are treated as though they are not worth looking after if they retire to a Commonwealth country or several other countries. They have their annual indexing removed and their state pensions are

frozen. If they retire to a European country, the United States, or yet another batch of countries they receive the annual indexing to cover, as expected, the rise in the cost of living. Often they are joining their families abroad. There is no adequate reason for this difference in treatment. There are many excuses, but, as Dave Clark states, the annual surplus in the National Insurance Fund is not only adequate it is more than adequate. The trouble seems to be that this money has not been used for its original purpose and the large surplus has not been allocated to cover the indexing of all state pensions.

Pensioners living anywhere abroad save this country a great deal of money in health and care expenses, so why deduct the annual indexing of their pensions? This was paid for in advance when they (and their employers) paid into the National Insurance Fund.

D Elvin, Witney, Oxfordshire

### **LAST PRINTED NEWSLETTER**

This will be our last printed newsletter. We have taken this step because most worth while news is stale by the time we get around to compiling a newsletter.

Instead we are going to send you news more often through email and internet. If your are not already receiving our occasional emails to bapaemail [bapanews], then to join the bapanews email group you will need to take the following steps:

To subscribe, send email to [bapaemail-subscribe@yahoogroups.com](mailto:bapaemail-subscribe@yahoogroups.com)

Leave text blank, but make subject SUBSCRIBE

This email service is a secure one, which does not allow the public at large to read our mail, nor does it allow anyone at all to post to it. Only the moderator and some committee members will be permitted to post. There will be no attachments. So far as we can we are making sure that no

malware, spam or viruses can come to you through these mails.

You will always recognise them, because in the subject field you will see: [bapanews] at the beginning, before the actual subject of the email.

If you change your email address, you will have to make sure you keep us up to date by sending a SUBSCRIBE email from your new email address.

In addition, you should from time to time access our Blog  
<http://www.britishpensions.org.au/blog.htm>

If you do not have a computer, you should be able to gain access to one at your local public library. Ask the librarian – or get the help of a tech savvy grandson.

### **SELECTION OF [BAPANEWS] ITEMS**

Here is a sample of the kind of news items that we have sent out in recent months.

#### **Draft Pensions Bill 2013**

One major event on the pension scene was the publication of the Draft Pension Bill 2013. Among many reforms proposed in the bill was a clause which would entrench the frozen pension regime. We were invited to make submissions on the draft bill.

Peter Morris made a submission and it has been published in the record of written evidence. As the published report is very long, we have put up on our web site a copy of Peter's submission. You can access it from our blog.

It is a well written and cogent argument in favour of the abolition of freezing, based on the two alleged objectives of the reform of pensions, namely Fairness and Simplicity. It also argues that the DWP could save money by not having so many clerical staff handling the adjustments due to frozen pensioners visiting Britain and/or Europe.

### **Australian Pension**

This one possibly does not directly affect you, but it may affect some of your friends.

A lady from Queensland wrote for advice. She had received a letter from Centrelink to say she must apply for a British pension, and if she did not apply, her Australian pension would be stopped. She knew that she was not entitled to a British pension, but even Centrelink's international desk told her the same story. She must apply

She is 67, so reached UK state pension age before the change of rules in 2010. As she only had 5 years of contributing in the UK she would not be entitled to any UK pension.

I phoned her to ascertain some of these details and discuss her options. I suggested that she would be no worse off if she applied, and even if she got a pension from UK she would still be in pocket, since the means test takes at most 50%. She had used the internet to check on her status, so I suggested she call into Centrelink and discuss the situation. They might even be prepared to look on the net themselves and agree that there was no point in applying.

This could be due to some tightening of rules as Government tries to save money, or it could be a dragnet to find people who could get a UK pension. They could save even more if we had our pensions indexed and had a small reduction in Australian pensions. As you all know, the means test does not mean they take 100% of your British pension, only 50%. We know that Jenny Macklin wants to see our UK pensions indexed, but it could be worth while reminding your local MP, and adding to the push.

It could be that other people, maybe some of your friends, who have an Australian pension but no British pension will be similarly affected. We do know that if someone applies for the OZ pension for the first time they are obliged to apply for a UK pension, or at least to enquire.

## **Pension for the Wife**

An enquirer asked about the category B pension for the wife. She is Australian and her husband is a British pensioner.

She said that she read on a DWP web site that if she got her pension that would reduce her husband's pension.

When she sent a copy of part of a letter her husband received from DWP, the section to which she refers turned out to be about Adult Dependency Increase ADI.

ADI was a supplement paid to a pensioner for a wife who had not yet reached pension age. It ceased when the wife reached pension age, and was then replaced by category B pension. The ADI was paid to the husband. Category B pension is paid to the wife.

No new awards of ADI were made after April 2010, so heaven knows why DWP were writing about it when her husband got to pension age in 2012. Besides, she was already over pension age by then, so he would not have got ADI anyway.

If any of you are currently getting ADI, be aware that it will stop when your wife reaches pension age. And will in any event stop in 2020.

DWP are not renowned for keeping people informed. Don't expect that when your wife reaches pension age they will tell her about category B pension, even if you are receiving ADI.

## **Category B pension.**

The proposed single tier pension will not include a category B pension for the spouse. When we learned about this, some concern was expressed as to whether this would affect women who currently had a category B pension. The answer is NO. It will only affect people who reach retirement age after the new rules comes into force.

In the first news item on the web, Stephen Webb gave the impression that it would apply only to non-resident pensioners, and only to women who had never lived and worked in Britain. In later news releases he changed his tune, and said it would apply to all women, resident or non-resident, and irrespective of their nationality or life history. In fact his first news release was an attempt to rally the swell of opposition to "foreigners", migrants who flood into Britain and start to live on welfare benefits.

The existing rules apply to "spouses", but most of those affected are in fact women married to pensioners or prospective pensioners, so the following comments are framed as if only women are involved; makes the grammar simpler.

If you have not yet reached retirement age but will do so before the new rules come into force, you will be able to qualify for category B pension. It is nearly 60% of your husband's basic pension.

If you will reach retirement age after 6th April 2016 then you must have a look at your own contribution history. Perhaps the best approach will be to pay enough back contributions to earn you a reasonable slice of the standard pension. But consider also the alternatives. You may be entitled to credit for years spent rearing children or caring for elderly relatives. You may have contributed at the married women's reduced rate, which does not earn any pension. Representations are being made by Age UK and others to include in the new rules some transitional provisions to cover these situations.

The only way you can really find out is to write to DWP and ask them what your position will be under the new rules. If you want to know how, write to [contactus@britishpensions.org.au](mailto:contactus@britishpensions.org.au)

Another option would be to build up a right to some superannuation or a private annuity, which could be a better use of your money. Remember also to consider whether you will be eligible for an Australian pension.

## **ABSURD**

Jeff Rooker, at that time the responsible minister, admitted that there was no logic in the selection of which countries would be in the frozen group and which in the indexed group. Saying it is "illogical" is an understatement; it is absurd.

Among the absurdities, British pensioners living in France or Spain have their pensions indexed; pensioners living in Andorra have them frozen. Likewise pensioners in France and Italy receive indexation; those living in Monaco don't.

French overseas territories are in the indexed group. British overseas and dependencies are in the frozen group.

Britain claims that pensions are indexed where the country of residence has a reciprocal agreement with Britain that specifies indexation. This is something that is out of the control of the pensioner. Is it not absurd to say that a pensioner living in Canada, say, should have his British pension rights depending on an accident of history over which he had no control.

Another absurdity arises where two people with identical contribution records and living in the same overseas country have different pensions just because they emigrated at different times. H retired in 1991 with a full basic pension, and retired to Australia. Because he emigrated before April 1991 his pension is frozen at the 1990 rate. P also retired in 1991 with a full basic pension. Because he emigrated in 1997 his basic pension is frozen at the 1997 rate.

H's pension is only 3/4 of P's pension. Note that between 1991 and 1997 P made no further contribution to the National Insurance Fund.

So their fate depends not only on the existence or otherwise of a reciprocal agreement, but on the date of emigration.

In view of these illogical and absurd results it can hardly be claimed that the British government are applying a well constructed and considered set of rules for age pensions.

## **AGE UK**

Age UK is a British charity with principal interest being elderly people in UK.

In the new proposed bill on single tier pensions there is a clause that would entrench the current freezing regime. In Age UK's submission to the DWP committee they touched on our cause very briefly, as follows:

### **8. Overseas residents**

8.1 In line with current rules, Clause 20 provides for people living in certain overseas countries not to receive annual increases. This has long been a major concern for people who retire abroad - perhaps to be close to family or to retire to their country of origin. These pensioners have contributed for many years when they lived and worked in this country and often point out that they do not claim UK benefits or use the NHS or other services. Age UK believes that people should receive annual increases wherever they live. This Bill provides the opportunity for this issue to be reconsidered.

## **FIGHTING FUND**

We have decided not to collect contributions for the fighting fund any more. There is no useful purpose to which we can put the money now that the Carson case has been through all the courts without success.

Membership of BAPA will no longer involve payment of a joining fee. People will be required only to fill in a membership form with details, including an email address, and to join the bapaemail news group.

The existing fighting fund will be disbursed mainly to the ICBP, even though we are no longer members.