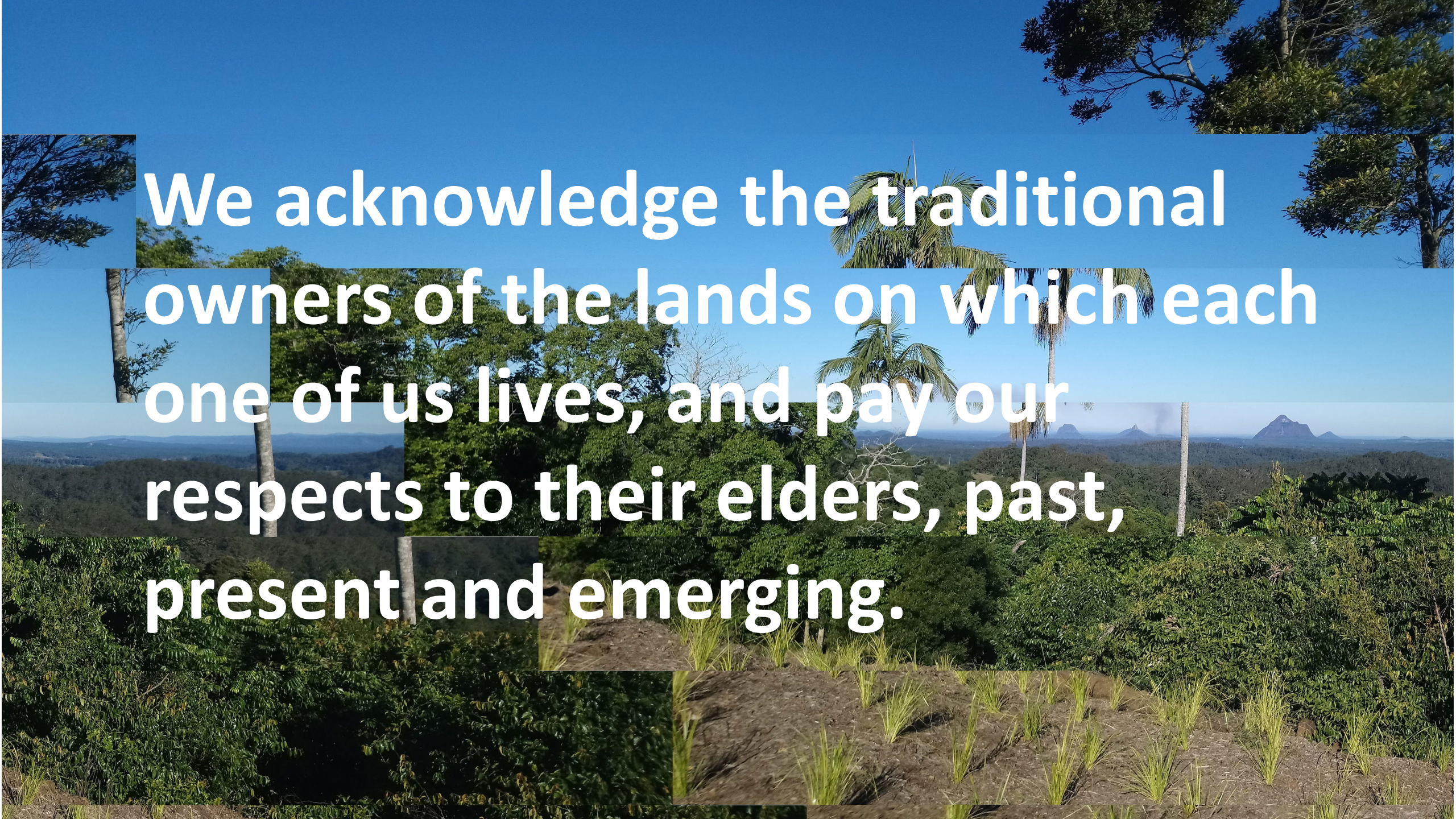
Welcome!


We acknowledge the traditional owners of the lands on which each one of us lives, and pay our respects to their elders, past, present and emerging.

Is This The End of Voluntary Contributions?

Disclaimer

- Everyone is an individual. Your entitlement to UK State pension will be affected by your personal history and your personal circumstances.
- We have compiled the information in this presentation based on information which we believe is reliable. It is by its nature general in nature and may not be appropriate for everyone.
- We recommend that you do not rely solely on the information in this presentation.
- Nor should you make any decisions based solely on the information in this presentation.
- You should always check with the Pensions Service to ensure you receive advice that is specific to your situation.

END FROZEN PENSIONS AUSTRALIA

Today's Presentation

- Introducing BPiA
- What is British State Pension?
- What is changing on 5th April 2025
- Voluntary contributions
- Examples
- Frozen Pensions
- The benefits of joining BPiA

Introducing BPiA

We are a volunteer run charity that cares for British pensioners in Australia

- We guide people so they can maximise their entitlement to a pension they have paid for
- Enable people with an entitlement to UK State Pension to claim that pension.
- We help pensioners find a solution when they encounter problems in dealing with the Pensions Service
- We campaign for an end to the UK's Frozen Pensions policy
- We network with other organisations that have the same or similar objectives.

What is British State Pension?

- Contributory scheme
- Paid worldwide
- Paid regardless of nationality
- It is NOT means tested
- New State Pension £230.25 a week or £11,973.00 a year (about A$24,660)
- Old State Pension £176.45 a week or £9,175.40 a year (about A$18,890)

National Insurance Contributions

Unlike Australian Age Pension, British State Pension is paid for through contributions

- 35 years to get full pension
- Ten years to get part pension
- Three years to be eligible to pay voluntary contributions

Voluntary Contributions

Can be paid while living in Australia

- Class 2 cost £3.50 per week or £182.00 a year
- Class 3 cost £17.75 per week or £923.00 a year
- Conditions for class 2 contributions
- How do I decide whether to pay voluntary contributions?

Voluntary Contributions

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State Pension Age

- Currently 66
- Will move to 67 between 2026 and 2028
- Planned to move to 68 between 2044 and 2046

Example 1

- James is 42 years old
- Worked in the UK for 4 years in his twenties
- Back paid six years voluntary contributions
- Now paying annually to build up entitlement
- Each year costs £182.00, adds £342.08 to his future annual pension*

*based on current rate of state pension

Example 2

- Judy is 65 years old
- She worked in the UK for nine years before migrating to Australia in 2004
- She is no longer working
- If she does nothing, she will receive nothing
- If she pays £923.00 in voluntary contributions, she will receive a state pension of £3,420.80 a year for life

Example 3

- Jeremy is 78 years old
- Has never been to the UK
- Met the love of his life Jeffrey and they married in January 2018
- Now receiving about A$8,000 a year in pension based on his husband's contributions

Frozen Pensions

- There are about 11 million people receiving British State Pension
- About 1.1 million pension recipients live outside the UK
- About 650,000 people receive the same rate as people in the UK
- About 450,000 people have their pension frozen

Why are our Pensions Frozen?

"I have already said that I am not prepared to defend the logic of the present situation. It is illogical. There is no consistent pattern. It does not matter whether a country is in the Commonwealth or outside it. We have arrangements with some Commonwealth countries and not with others. Indeed, there are differences among Caribbean countries. This is an historical issue and the situation has existed for years. …the issue will not go away. I accept that."

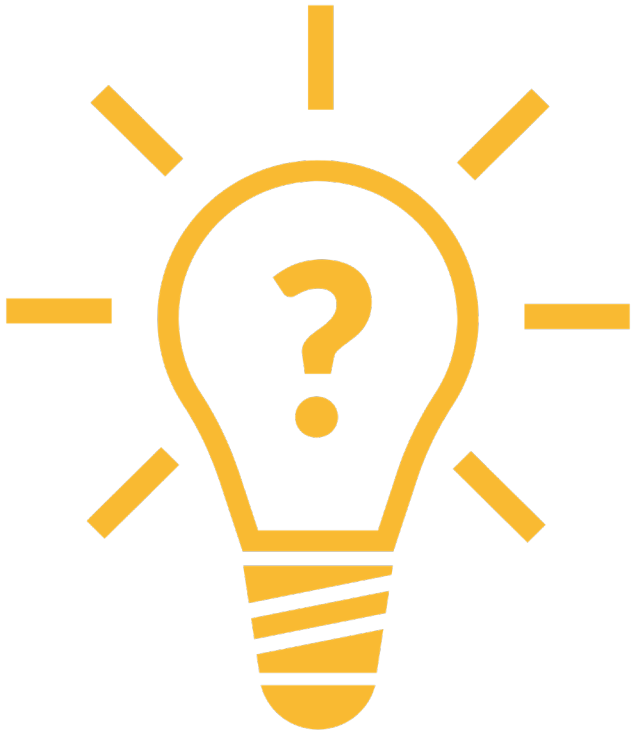
Jeff Rooker (Minister of State, Department of Social Security)

13th November 2000

The Benefits of Joining BPiA

- Only $30 a year for singles and $45 for couples
- Monthly newsletter
- Quarterly magazine **Fair Play**
- Access to over 30 Fact Sheets in the members only section of our website
- Help support the campaign to end frozen pensions

Any Questions?



www.bpia.org.au

END FROZEN PENSIONS AUSTRALIA

Thank you for Listening

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