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for Work &
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Your ref: ZA16747

Christian Matheson MP
House of Commons

Our ref: MC2021/34274

24 May 2021

Dear Christian

As you may know, your letter of 22 April to the Minister for Defence People and Veterans about the up-rating of State Pension paid to those living outside the UK has been passed to this Department. I am replying as the Minister for Pensions.

I would first like to assure you that this Government recognises the debt of gratitude that we owe those who have risked their lives to defend our country. In addition, the Government is fully supportive of Her Majesty's forces and their spouses and has committed to the Armed Forces Covenant, to ensure people from the Armed Forces face no disadvantage in the provision of public services.

State Pension up-rating is intended to provide support for pensioners who live in the UK. This is a long-standing policy of successive post-war Governments who have taken the view that priority should be given to those living in the UK in drawing up expenditure plans for pensioner benefits.

The annual index-linked increases are paid to UK State Pension recipients where there is a legal requirement to do so for example, where UK State Pension recipients are living in countries where there is a reciprocal agreement that provides for up-rating of the UK State Pension. The Government has no plans to change this policy.

The policy has been challenged in the courts. Following the judgment of the Appellate Committee of the House of Lords in May 2005, which found in favour of the Government, Annette Carson along with 12 others, made an application to the European Court of Human Rights. The European Court of Human Rights issued its judgment in November 2008 which found against the applicants. The European Court of Human Rights decided that the Government had not gone against the terms of the European Convention on Human Rights.

The International Consortium of British Pensioners made a submission to the European Court of Human Rights in January 2009 requesting leave to refer the Carson case to the Grand Chamber of the European Court of Human Rights. On 6 April 2009, the panel of five judges in the Grand Chamber decided to accept the applicants' request. On 2 September 2009, the Grand Chamber considered the case of Carson and others. The Grand Chamber delivered its judgment on 16 March 2010, the Grand Chamber found against the applicants.

All UK Governments have honoured their legal obligations to up-rate UK State Pensions to eligible recipients living outside the UK. We continue to take our obligations under the terms of the European Convention on Human Rights seriously and we believe that the approach fully complies with legal requirements concerning overseas pension payments.

The decision to move abroad is voluntary and remains a personal choice dependent on the circumstances of the individual. For a number of years, advice has been provided to the public that the UK State Pension is not up-rated overseas except where there is a legal requirement to do so. HM Revenue and Customs and the Department for Work and Pensions publish information which is available at: www.gov.uk.

I hope this helps to explain the position.

A handwritten signature in blue ink, appearing to read 'Guy Opperman', with a horizontal line underneath it.

GUY OPPERMAN MP
MINISTER FOR PENSIONS AND FINANCIAL INCLUSION