



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Anne Marie Trevelyan MP
Secretary of State for International Trade and President of the Board of Trade
Department for International Trade
Whitehall
London
SW1A 2AH

04 July 2022

Dear Anne-Marie,

Reciprocal agreements to uprate state pensions

We are writing to request that you consider including reciprocal social security agreements that cover uprating of state pensions in trade negotiations.

British pensioners who reside overseas do not have their state pension automatically adjusted for inflation. Rather, the UK has reciprocal agreements in place with certain countries to annually uprate pensions, such as the US and EU member states. However, 43% of overseas British pensioners live in countries which do not currently have such an agreement in place. This leaves these pensioners, who reside predominantly in Commonwealth nations, at a significant financial disadvantage and creates a two-tiered system of overseas state pension recipients. In light of current spiralling inflation rates, state pensions in the UK are expected to increase by 10% in 2023. The gap between the value of pensions paid to recipients in countries with a reciprocal agreement compared to those without is therefore set to widen even further.

There is a long-standing campaign to rectify this discriminatory system, however the Government has so far refused to take any positive steps to increase the number of reciprocal agreements to uprate pensions. Columbia, Mongolia, Thailand, Uruguay, Brazil, Australia and Canada have all approached the UK Government in the last decade asking for a reciprocal agreement, and each time the Government has refused.

The Liberal Democrats are calling for more reciprocal agreements to be put into place, and we believe that this could be an important aspect of trade agreement negotiations. As the Department seeks to enter into trade agreements with new partners across the globe, there is a real opportunity to speak out for the thousands of British pensioners who are currently facing unfair financial hardship.

We look forward to hearing your thoughts on the above suggestion, and hope for some positive action in this area.

Yours sincerely,

Sarah Olney MP
Liberal Democrat Spokesperson for International Trade

Wendy Chamberlain MP
Liberal Democrat Spokesperson for Work & Pensions