

Frequently asked questions

1 Q-What is the minimum contributions period to qualify for UK State Pension?

A-- 10 year for women, 11, men, National Insurance contributions commence at age 16.

2 Q- What if I have only made National Insurance contributions for 3 years?

A—One can make voluntary contributions from Australia to achieve the requisite 10 or 11 years, costing approximately £370/year if not working, **or £109 /year if working.**

3 Q- How do I find out about my UK pension contributions record?

A—Call the UK's DWP Newcastle upon Tyne, BPiA will provide you with the necessary UK phone numbers, when one has joined BPiA for a modest membership fee.

4 Q- What is BPiA and why should I subscribe?

A—BPiA is a not-for-profit association [incorporated in NSW] of UK expat volunteer pensioners. BPiA's objective is to force the UK government, to change its pension policy, to regularly inflation adjust [index] our UK pensions. BPiA's current strategy has included help fund South Africa's Annette Carson's legal case which has recently been heard, but failed, in the House of Lords. The Canadians, assisted by us, have now lodged a composite case, including Annette Carson's, in the European Court of Human Rights.

5. Q- Who is Annette Carson?

A—Annette Carson is a South Africa based British expat pensioner who was chosen by the South African British pensioners' association to represent all expat pensioners who suffer the indignity of a frozen UK State pension. We have helped fund her case so far, in 3 UK Courts, along with Canada's and NZ's British pensioner associations. The case has progressed now to the European Court of Human Rights, Strasbourg

6. Q- What is a frozen pension?

A—The fact that our UK pension never increases after we commence receiving it in Australia, our pension is thus deemed as "frozen". This applies also to UK pensions received in most [48] of the Commonwealth countries like Canada, South Africa and NZ.

7. Q – Is the UK pension inflation adjusted in many countries?

A –Yes in about 50 countries, mainly the EEA, USA, Israel, Turkey, Yugoslavia, Bosnia, and some minor Commonwealth nations like Cyprus Barbados Mauritius, Jamaica.

8. Q-What are the chances of winning this legal challenge?

A--It is always a lottery taking matters like this to law and the case having failed in the UK will now have to be determined in a European Court. In Europe every EU nation inflation uprates their expats' pensions, the UK does not and we claim it is out of step with convention, as did Lord Carswell. We believe we've a good chance of a win in Europe. Lord Goodhart debating in October 2005 in The Lords stated, "*If there is any possibility [going to Strasbourg] I certainly believe there would be a real chance of victory*".

9. Q- Why won't the UK uprate our pensions?

A—The government claims it cannot afford the annual £400 million it would cost them. However the UK's National insurance account is about £33.4 billion in credit that is £22 billion above the Government's actuary's required prudential balance of about £11 billion.

10. Q- Is the UK pension means tested like the Aussie one?

A—No; anyone who has paid into the scheme receives the pension. There is a minimum income guarantee component now available in the UK, which is means tested, but this is not available overseas to expats.

11 Q- I also get the Aussie pension so why should I be interested in BPiA and receiving more from the UK; any extra \$'s from the UK will come off my Aussie pension won't they?

A—Not so, every additional \$100 you receive from the UK will result in you being \$60 better off, for only \$40 is deducted from your Aussie pension from each extra \$100 you may receive from the UK. Centrelink have provided BPiA with a letter confirming this.

12. Q-My wife is Australian but I hear I can get a UK pension supplement for her?

A—Correct, so long as your wife is dependent on you [not gainfully employed], she will get a supplementary pension of 60% of the level you receive as a single pensioner, irrespective of her nationality or age. If you pre-decease her she will step into your shoes with the lower single pension.

13. Q-What constitutes dependency?

A—A wife is dependent so long as she is not earning a wage from working or a UK pension in her own right. However you have to apply for the supplement to Newcastle and be prepared to complete forms and send them the likes of marriage certificates. She can receive her own plus some on account of your contributions, up to a maximum of 60% of the single pension [£84.25]. This for 2006/7 generates about £50.50/week.

14. Q- Is it right that if I return to the UK on holiday my pension will be increased?

A—Correct, 4-6 weeks before departure you need to phone Newcastle to advise them or your travel plans and a phone contact in the UK. This rule also applies to Europe and all 50 countries in which UK pensions are indexed except the USA and Bermuda.

15.. Q-Is there is a tax benefit relating to the UK pension and the Australian taxable income

A- Correct. 8% of your UK pensions income can be deducted from your Australian taxable income when completing your annual tax return. If this benefit has not been taken in previous years one can "catch-up" for up to 5 years.

16. Q- I receive a UK forces pension, so am I entitled to a UK State pension too?

A--Certainly; so long as you have paid into the UK's mandatory State system for the minimum requisite 11 years (men) 10- years (women).

17. Q –I am 72 and receive a UK forces pension having been in the RAF for 20 years, how do I apply for any other pensions to which I may be entitled?

A—You will need to contact the UK's DWP in Newcastle UK. BPiA can supply you with all the necessary information required, together with the UK phone number.

18. Q – I am over 65 and maybe missed out by a couple of years in making the requisite qualifying 11 year contributions, what can be done to recover the contribution made?

A—If one is less than 5 years over 65 it is possible to offer to pay any shortfall by way of voluntary contributions, we have examples of this being achieved. If one is above 70 the chances of success are less favourable but worth a try. One should claim that the UK

denied you the opportunity to pay VC's, by failing to provide you, in a timely fashion,
the requisite information.

Jim Tilley,
Hon Chairman BPiA

Amended Feb 15th 2006

BRITISH PENSIONS in AUSTRALIA INC.

HYPERLINK "http://www.bpia.org.au" www.bpia.org.au ABN 42 186 383 389

PO Box 524 Campbelltown NSW 2560

Phone 1300 308 353