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Dear Lord Shipley

UPRATING OF UK STATE PENSIONS

Thank you for your question on the uprating of UK State Pensions in the debate on New Clause 37 during Committee stage of the EU (Withdrawal Agreement) Bill, on Thursday 16 January, for which I committed to write to you with more detail.

The current structure of the EU's social security coordination rules will continue to apply during the Implementation Period, which for clarity lasts until 31 December 2020. This includes the right to receive an uprated UK State Pension. Therefore, in this letter, I will address the rights of UK nationals after this date.

After the end of the Implementation Period, under the Withdrawal Agreement, EEA EFTA Separation Agreement and Swiss Citizens' Rights Agreements, UK nationals living in the EU, EEA EFTA States or Switzerland by the end of the implementation period will continue to receive an uprated UK State Pension every year in those states while they have a right to reside. This extends to people in scope of the Agreements who are not yet of state pension age once they start drawing their UK State Pension in the future. For example, a UK national who has retired early to a Member State.

The question was also raised about whether a UK national with a right to reside in one Member State at the end of the Implementation Period, who then moves to another Member State after the end of the Implementation Period, will have their right to an uprated UK State Pension in the EU protected. The Government's interpretation is that those citizens will be protected in respect of social security coordination rights under the Withdrawal Agreement.¹

While the UK State Pension is payable worldwide and this will not change as a result of the UK leaving the EU, social security coordination arrangements, including state pension uprating, for those not in scope of the Withdrawal Agreement who move to the EU from 1 January 2021 are subject to the outcome of negotiations with the EU.

¹ See Article 30 of the Withdrawal Agreement, Article 29 of the EEA EFTA Separation Agreement and Article 25 of the Swiss Citizens' Rights Agreement.

As set out in the Political Declaration, the UK and the EU have agreed to consider addressing future social security coordination arrangements in the light of the future movement of persons. This is without prejudice to the rights of individuals who are protected by the Withdrawal Agreement.

I hope you find this letter helpful. I will also send a copy to those Peers who spoke to the amendment and place a copy in the House library.

Best wishes

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LORD BETHELL

Lord Shipley
House of Lords