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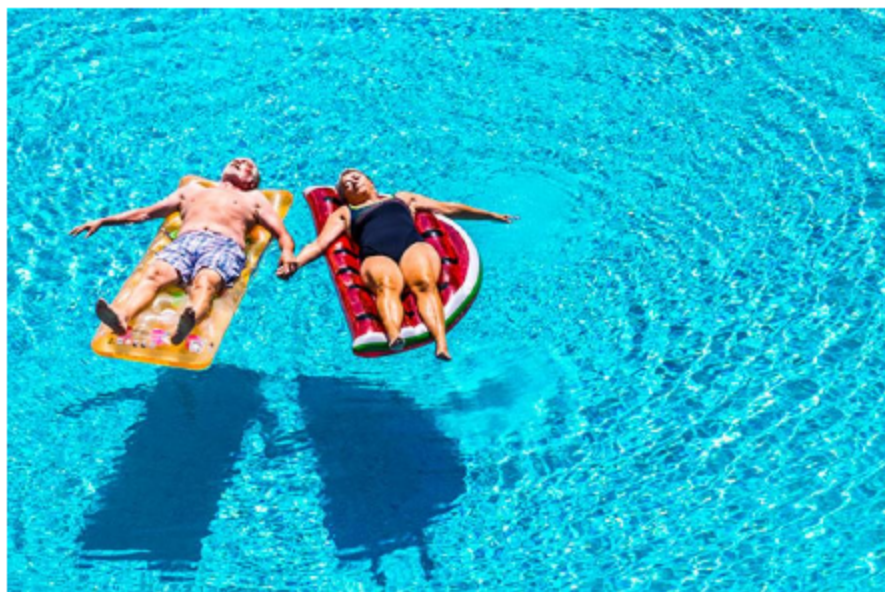
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## State pension increases to continue for expats in Europe after Brexit

However, Britons relocating to the Continent after 2020 could see their pensions frozen.

Economy and Policy January 29, 2020 by Stephen Little

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British retirees living in European Union countries will continue to see their state pension rise in line with inflation once Brexit is completed at the end of the month.

10%

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The UK government has confirmed that expats living in the EU will see their state pension increase annually as long as they continue to live there. Pensioners in Switzerland and the European Economic Area - which includes Norway, Iceland and Liechtenstein - will also receive the annual rise.

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However, increases for those moving abroad after 31 December 2020 will depend on Brexit negotiations.

This means that pensioners looking to move to Europe will have to do so before the end of the year if they want to make sure that they do not miss out on the annual rise.

Work and Pensions Secretary of State Thérèse Coffey says: "Delivering for UK citizens was at the core of this government's negotiations with the EU.

"I welcome the fact that thousands of UK pensioners living abroad in the EU and Switzerland will benefit from receiving the same state pension as those in the UK as negotiated in the withdrawal agreement."

## State pension triple lock

The government's withdrawal agreement has negotiated reciprocal rights for state pensions to increase in line with the UK.

Under the present system, called the state pension triple lock, the UK basic and new state pension

increases by either 2.5%, average wage growth or by prices growth as measured by the consumer price index – whichever is highest – a process known as uprating.

The news will bring relief to the 240,000 British pensioners living in EU countries.

There were concerns that British retirees living in EU countries could lose their annual pension increase in the event of a no-deal Brexit.

The government said in September that it would only guarantee state pension increases for pensioners living in Europe until March 2023 in the event of a no-deal.

UK pensioners living in other countries – notably those in Australia, Canada, New Zealand and South Africa – currently have their state pension frozen at the rate when they left the UK.

## Withdrawal agreement

The UK will officially leave the EU at 23:00 GMT on 31 January – more than three and a half years after the referendum was held in June 2016.

Parliament passed legislation implementing the withdrawal agreement on Friday.

The European Parliament will then vote on the agreement on 29 January.

There will then be an 11-month transition period lasting from 1 February to 31 December

During this time, the UK and the EU will negotiate the terms of the future relationship.

The UK will continue to follow EU rules but will not have any representation in the European parliament or the EU council.

Former pensions minister Ros Altmann welcomed the news. She says: “Those already living in Europe can relax, as they will receive increases on their state pensions for life.

“This protection of state pension uprating will also apply during the transition period too. So anyone who moves to Spain, France or another European country before the end of 2020 will also be covered by the same guarantee.

“The government says that it is aiming to agree reciprocal arrangements with the EU for the next phase of our departure. But if it fails to do so by year-end, and the implementation period is not extended, future expats could see their state pensions frozen.”

*This article was first written by our sister magazine Moneywise.*