



# The Effects of Brexit on Britons in Austria.

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- **General uncertainty prevails, numerous detailed questions unanswered**
- **Big Question: Pension and Social Security for expats and vice versa**
- **4 solutions are conceivable: as with CH, N, WTO; or negotiate bilaterally**
- **"The Scotland question": a new EU member? With new expat solution?**

**Although the Brexiteers have won, there is still strong opposition:** Certainly, the pound (£) and the markets have reacted very nervously, but in Austria only the recipients of income in the British currency will experience financial losses caused by the current devaluation. Not affected are those Britons who are paid in euros (€); they even have the advantage that their money is now worth more in the UK than previously. So far, so good, so predictable!

**Reliable predictions are currently difficult:** While the EU are pushing for speedy Brexit negotiations, the UK are playing for time, wanting three or more months before they trigger Article 50. During this time there will be no changes at all for Brits in this country. Should a future Westminster Government indeed file for divorce, then we do know that officially a timeframe for negotiations of two years has been set aside. Only after that the United Kingdom will become for the EU a foreign country and its citizens finally aliens.

**Further far reaching uncertainties:** The negotiations will concentrate primarily around the dismantling of EU contracts and laws of the past 43 year and finally on the future relationship between the UK and the EU. Here one may well be worried about the effect of the negotiations especially regarding British Pensions and British Social Security Payments for Brits in Austria and elsewhere in Europe. Not only British but also Austrian citizens may be affected.

**Four options are on offer:** The Norwegian, Swiss, Bilateral and WTO option. The first three, among other things, deal with the question of the right to reside and freedom of movement, so things should not change for the British in Austria, only if the choice were the World Trade Organization (WTO) option it would mean a clean break and a retrograde step. That could turn out to be very problematic for the British. To illustrate: The Swiss needed eight years to complete their contract of 120 agreements with the EU (!). De facto they are EU members and fully integrated but without a voice at the table! The same applies to Norway. Both states are also in Schengen, but not in the euro (€). However, what we know right now is that the EU does not want to be bogged down in an eight-year long negotiations period, therefore it could still turn out to be very tricky for the British. Still, diplomats will be employing their ample skills along the lines of *"What you do not want done to yourself, do not do to others"*. Obviously, what happens to the British in Europe will consequently also happen to Europeans in the UK. A tit for tat!

**What is (not?) going to change for Brits in Austria:** Now, we can say that for the British in Austria there should be no change over the next two years since they will continue to be members of the EU - with equal rights and, we should also think, with equal duties until the expected divorce by the end of 2018. But this does not mean that a future Westminster government could not initiate changes in legislation to UK Pensions and other Social Security Payments, already mentioned above, for Brits in Austria and elsewhere in the EU and also for Austrian citizens who once worked and lived in the UK. Something similar happened quite a few years ago to Brits living in Australia, when the UK government abruptly abolished indexation to their UK Pensions in payment.

**What about the Scots?** But typically, we have not reckoned with the Scots! Scotland, who together with London and Northern Ireland voted overwhelmingly to remain in the EU, speculates with a new independence referendum. The timing couldn't be more perfect. Furthermore: Already Scotland has commenced direct negotiations with Brussels to stay in the EU with Brussels viewing it sympathetically. Integration of Scotland in Europe on a legal basis is so much easier than it once was for the UK, as Scotland's legal system, like the rest of the EU, is based on Roman Law, England's on the other hand on the "Case Law". Also Westminster is obliged to consult Edinburgh regularly during the Brexit-negotiations ('devolution'). The certainly very difficult but seemingly inevitable step towards the independence of Scotland and subsequent statehood in the EU is thus pre-programmed with far-reaching consequences: Scottish citizens remain Europeans, while England must stay outside the door. But then what about pensions and other benefits from the former United Kingdom?

Who dares now to say, predictions are easy?