



**Mrs M Gilmour, Assistant Director Land Forces Secretariat
(Foreign and Commonwealth)
MINISTRY OF DEFENCE
Headquarters Land Forces
Beverley Crescent Trenchard Lines Upavon PEWSEY Wiltshire SN9 6BE**

Telephone: 01980-61 5920
FAX: 01980-61 8127
CASH: LF-Sec AD Gurkhas

Military: 94344 5920
FAX: 94344 8127

See Distribution

Reference D/LFSec(F&C)/141/1

Date 10th April 2008

GURKHA PENSION SCHEME – 2008 AWARD

References:

- A. D/AG(G)/141/1(MGS 117-07) dated 19 March 2007.
- B. D/AG(G)/141/1(MGS 168-07) dated 20 July 2007.
- C. Gurkha Pay and Pension Manual.

1. I am directed to inform you that the existing rates of Gurkha Retirement Pension, Gurkha Service Pension, Gurkha Disability Pension and Gurkha Family Pension have been revised with effect from 1 April 2008. The current rates, which are based on Indian Army pensions, but incorporate a welfare related cash uplift to take account of the benefits in kind provided to Indian Army ex-servicemen, have received a 2008 pension increment of 5.7% to take account of cost of living increases in Nepal. In line with new policy arising from a review of the annual inflation indexation mechanism, the increase this year is based on the Rastra Bank figure for inflation in Nepal. Since pension increments are applied to pensions on a compound basis the effective increase in pensions since 1 January 1996 to compensate for inflation has risen this year from 198.02% to 215.01%. The increase also applies to Gurkha Resettlement Grants and Dearness Allowance which is used in calculating Indian Army Pay for gratuity purposes. In addition, the rates of Death in Service Gratuities have been updated. All revised rates supersede those at References A and B.

2. **Gurkha Retirement Pension.** The revised rates of Retirement Pension payable to Gurkha Commissioned Officers, are shown at Annex A.

3. **Gurkha Death in Service Gratuity.** The revised Gurkha Death in Service Gratuity rates are shown at Annex A.

4. **Gurkha Service Pension.** The revised rates of Gurkha Service Pension payable to Queen's Gurkha Officers granted honorary rank, Queen's Gurkha Officers and Gurkha Other Ranks are:

- a. **Queen's Gurkha Officers Granted Honorary Rank.** Revised rates for Queen's Gurkha Officers granted honorary rank are shown at Annex B.



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- b. **Queen's Gurkha Officers and Gurkha Other Ranks.** Revised rates for Queen's Gurkha Officers and Gurkha Other Ranks are shown at Annex C.
- c. **Honorary Queen's Gurkha Officers.** The pension of Gurkha Other Ranks awarded Honorary Lieutenant (Queen's Gurkha Officer) on retirement is made up of two elements, a service pension element according to soldier rank and service at retirement and a pension increment element. Revised rates of the service pension are shown at Annex C. The revised rate of the pension increment effective from 1 April 2008 is ICR 1044.90.
5. **Gurkha Disability Pension.** The Gurkha Disability Pension is made up of two elements, a service pension element and a disability element. Revised rates of the service pension element are in accordance with those shown in Annexes A, B and C. Revised rates of the disability element are shown at Annex D.
6. **Gurkha Family Pensions.** The revised rates of Gurkha Family Pension for Gurkha Commissioned Officers, Queen's Gurkha Officers granted honorary rank, Queen's Gurkha Officers and Gurkha Other Ranks are shown at Annex E to this letter.
7. **Gurkha Resettlement Grants.** The revised rates of Resettlement Grants payable to Gurkha personnel are shown at Annex F.
8. **Minimum Rates of Pension.** The minimum rate of pension shown in Chapter 9 of Reference C has been raised to ICR 8032.70 per month with effect from 1 April 2008.
9. **Indian Army Rates of Pay.** Following the introduction of standard Army TACOS for Gurkhas from 1 April 2007, Indian Army rates of pay are now only required for the calculation of gratuities and so rates are now attached to this letter at Annex G. A single set of rates are shown as the links to Indian Army pay groups have been broken with effect from 1 April 2007 with the introduction of Joint Personnel Administration. The monthly rates, which now remain in ICR, incorporate all elements of Indian Army pay into one consolidated amount for each incremental level by rank.
10. **Gurkha Pay and Pensions Manual.** Reference C is to be amended to reflect the changes promulgated above.
11. **Pension Credits to Individual Accounts.** The new rates of pension will be applied to the Nepal Pension Payments System for the pensions run for April 2008. Pensioners paid at the Pension Paying Offices will have the new rates due available in May 2008 according to the detailed arrangements notified by Headquarters British Gurkhas Nepal. This is due to the implementation of the new pension computer system at the end of April. Banking pensioners will have their accounts credited at the end of April 2008 and payments from Area Welfare Centres will be made in June 2008.
12. **6th Indian Pay Commission.** The 6th Indian Pay Commission report was submitted to the Indian Government on 24 March 2008. Following the acceptance of the recommendations by the Indian Government any changes to Indian Army Pensions that affect the Gurkha Pension Scheme will be notified to all addressees and where necessary arrears will be paid back to the effective date of the report, 1 January 2006.



Annexes:

- A. Gurkha Commissioned Officers – Rates of Retirement Pension and Gurkha Death in Service Gratuity Rates.**
- B. Gurkha Service Pension Rates for Queen's Gurkha Officers Granted Honorary Rank.**
- C. Gurkha Service Pension Rates for Queen's Gurkha Officers and Gurkha Other Ranks.**
- D. Gurkha Disability Element Pension Rates.**
- E. Gurkha Family Pension Rates.**
- F. Gurkha Resettlement Grants.**
- G. Indian Army Pay Rates for Gratuities.**

Distribution:

External:

Action:

**HQ Brigade of Gurkhas - Please distribute to Brigade units.
HQ British Gurkhas Nepal
SPVA(C)/EDS – DCH Change Mgt Proj Man 2 and FENAS
SPVA(G)/EDS – Gurkha Pensions**

Information:

**HM Treasury (DDI)
MOD SPP(Pens)
HQ Land Forces – for DG Res and DG Pers
HQ 4 Division - for DCOS and Comd SPS
HQ Brunei Garrison
Management Accountancy Services (A)
DPS(A) PS10(A)
DSPS(A)
Army Personnel Centre - DMS MS Sldrs Cbt Gurkha SO2a**

ANNEX A TO
D/ LFSEC(F&C)141/1
DATED 10 APRIL 2008

GURKHA COMMISSIONED OFFICERS – RATES OF RETIREMENT PENSION IN INDIAN CURRENCY RUPEES (ICR) WITH EFFECT FROM 1 APRIL 2008

Reference:

A. Gurkha Pay and Pension Manual, Part 2, Chapter 1, Section 2.

1. With effect from 1 April 2008 the rates of retirement pension payable to Gurkha Commissioned Officers in accordance with Reference A are as follows:

RANK	STANDARD SERVICE PERIOD (YEARS)	MONTHLY PENSION (ICR)
Capt(GCO)	20	40006.64
Maj(GCO)	22	46463.34

GURKHA DEATH IN SERVICE GRATUITY RATES WITH EFFECT FROM 1 APRIL 2008

Reference:

A. Gurkha Pay and Pension Manual, Part 2, Chapter 4, Section 1.

1. With effect from 1 April 2008 the rates in Sterling for Death in Service Gratuities are as follows:

RANK	GRATUITY (£)
Sgt	94455.00
Cpl	86154.00
Below Cpl	66789.00

**ANNEX B TO
D/ LFSEC(F&C)141/1
DATED 10 APRIL 2008**

**MONTHLY GURKHA SERVICE PENSION RATES (INDIAN CURRENCY RUPEES) FOR QUEEN'S GURKHA OFFICERS
GRANTED HONORARY RANK - WITH EFFECT FROM 1 APRIL 2008**

QGOs Granted Honorary Rank of GCO - pre 3 May 2000												
Rank/Years of Service	21	22	23	24	25	26	27	28	29	30	31	32
Maj(QGO) Hon Capt(GCO)	28818.60	29924.15	31036.41	32142.00	33247.54	34359.83	35465.42	36570.95	36570.95	36570.95	36570.95	36570.95
On Completion of Tenure		21-24		32142.00		25-28		36570.95		29 & Over		36570.95
Maj(QGO) Hon Lt(GCO)	27888.31	28960.12	30032.00	31103.86	32175.68	33247.54	34319.43	35391.21	35391.21	35391.21	35391.21	35391.21
On Completion of Tenure		21-24		31103.86		25-28		35391.21		29 & Over		35391.21
Capt(QGO) Hon Capt(GCO)	26933.24	28193.32	29006.02	30039.24	31072.46	32112.01	33145.22	34178.46				
Capt(QGO) Hon Lt(GCO)	26063.82	27065.55	28067.28	29069.02	30070.74	31072.46	32074.20	33075.92				
QGOs Granted Honorary Rank – on or after 3 May 2000												
Rank/Years of Service	21	22	23	24	25	26	27	28	29	30	31	32
Hon Maj	28818.60	29924.15	31036.41	32142.00	33247.54	34359.83	35465.42	36570.95	36570.95	36570.95	36570.95	36570.95
On Completion of Tenure		21-24		32142.00		25-28		36570.95		29 & Over		36570.95
Hon Capt	26063.82	27065.55	28067.28	29069.02	30070.74	31072.46	32074.20	33075.92				

ANNEX C TO
D/ LFSEC(F&C)141/1
DATED 10 APRIL 2008

MONTHLY GURKHA SERVICE PENSION RATES (INDIAN CURRENCY RUPEES) FOR QUEEN'S GURKHA OFFICERS AND GURKHA OTHER RANKS WITH EFFECT FROM 1 APRIL 2008

	15	16	17	18	19	20	21	22	23	24	25	26	27	28-32
Below Cpl	11242.78	11692.49	12142.20	12591.91	13041.63	13491.34	13491.34	13491.34						
Cpl	11544.45	12025.47	12506.48	12987.50	13468.52	13949.54	14430.56	14430.56						
Sgt	11996.18	12541.46	13086.74	13632.02	14177.31	14722.58	15267.87	15813.14	16358.43	16903.71	16903.71	16903.71		
CSgt	12476.01	13043.11	13610.20	14177.29	14744.38	15311.47	15878.56	16445.65	17012.75	17579.84	17579.84	17579.84		
WO2	12975.08	13564.86	14154.64	14744.41	15334.18	15923.96	16513.74	17103.52	17693.29	18283.07	18283.07	18283.07		
WO1	13494.04	14107.41	14720.78	15334.14	15947.50	16560.86	17174.23	17787.60	18400.96	19014.33	19014.33	19014.33		
Lt(QGO)	15832.36	16619.85	17413.69	18201.22	18995.05	19788.85	20576.39	21370.23	22157.72	22951.53	23748.54	24540.16		
Capt(QGO)	18692.62	19625.03	20563.76	21496.22	22428.64	23367.39	24299.79	25232.22	26170.93	27103.37	28035.79	28974.53	29906.92	30839.35
Maj(QGO)	19190.33	20147.96	21105.63	22069.52	23027.13	23984.78	24948.69	25906.34	26863.94	27821.60	28785.52	29743.13	30700.79	31658.38

Note:

1. Minimum pension wef 1 April 2008 is ICR 8032.70

ANNEX D TO
D/ LFSEC(F&C)141/1
DATED 10 APRIL 2008

GURKHA DISABILITY ELEMENT PENSION RATES (INDIAN CURRENCY RUPEES)
WITH EFFECT FROM 1 APRIL 2008

Rank \ % Disability	100%	90%	80%	70%	60%	50%	40%	30%	20%
GCO & QGO Granted Hon Rank¹	8190.22	7371.21	6552.18	5733.15	4914.13	4095.11	3276.09	2457.08	1638.04
QGO	5985.15	5386.63	4788.13	4189.60	3591.09	2992.58	2394.05	1795.55	1197.03
GOR	4882.61	4394.34	3906.08	3417.82	2929.56	2441.30	1953.05	1464.78	976.52

¹ QGOs granted Hon GCO prior to 3 May 2000 and Hon Capt or Hon Maj from 3 May 2000 onwards.

GURKHA FAMILY PENSION RATES - WITH EFFECT FROM 1 APRIL 2008

Reference:

A. Gurkha Pay and Pension Manual, Part 2, Chapter 4.

1. With effect from 1 April 2008 the rates of Family Pension payable to dependants of Gurkha personnel in accordance with Reference A are as follows:

	OFFP	OFFP(ER)	SFP	LFP
Below Cpl	8032.70	11242.78	13491.34	22485.56
Cpl	8032.70	11544.45	13853.34	23088.90
Sgt	8179.21	13632.02	16358.42	27264.04
CSgt	8846.63	14744.38	17693.26	29488.76
WO2	9554.38	15923.96	19108.75	31847.92
WO1	10672.56	17787.60	21345.12	35575.20
Lt(QGO)	13770.92	22951.53	27541.84	45903.06
Capt(QGO)	18503.61	30839.35	37007.22	61678.70
Maj(QGO)	18995.03	31658.38	37990.06	63316.76
Capt(QGO) Hon Lt(GCO) and Hon Capt	19845.55	33075.92	39691.10	
Capt(QGO) Hon Capt(GCO)	20507.08	34178.46	41014.15	
Maj(QGO) Hon Lt(GCO)	21234.73	35391.21	42469.45	
Maj(QGO) Hon Capt(GCO) and Hon Maj	21942.57	36570.95	43885.14	
Capt(GCO)	24003.98	40006.64	48007.97	
Maj(GCO)	27878.00	46463.34	55756.01	

ANNEX F TO
D/ LFSEC(F&C)141/1
DATED 10 APRIL 2008

GURKHA RESETTLEMENT GRANTS IN NEPALESE CURRENCY RUPEES (NCR)
EFFECTIVE FROM 1 APRIL 2008

Reference:

A. Gurkha Pay and Pension Manual, Part 2, Chapter 1.

1. With effect from 1 April 2008 the rates of Resettlement Grant in Nepalese Currency Rupees (NCR) payable to Gurkha personnel in accordance with Reference A are as follows:

a. Resettlement Grant payable to those personnel who have served for a minimum of 15 years:

RANK	AMOUNT (NCR)
<u>GOR</u>	
Cpl and below	548735.38
Sgt and above	731647.17
<u>QGO</u>	
Lt and Capt	914558.98
Maj	1097470.78

b. Resettlement Grant payable to those personnel who are discharged on termination of their engagement, or on compassionate grounds, with insufficient service to qualify for a pension:

YEARS OF QUALIFYING SERVICE ALL RANKS	AMOUNT (NCR)
On completion of 4 but less than 7 years Service	144632.45
On completion of 7 but less than 10 years Service	259162.60
On completion of 10 but less than 12 years Service	365842.46
On completion of 12 but less than 15 years Service	441770.29

**ANNEX G TO
D/ LFSEC(F&C)141/1
DATED 10 APRIL 2008**

**INDIAN ARMY PAY RATES FOR GRATUITIES - WITH EFFECT FROM 1
APRIL 2008 IN INDIAN CURRENCY RUPEES (ICR) PER MONTH**

Rank	Incr	IA Pay	Rank	Incr	IA Pay
Maj QGO	5	9450	WO2 levels 5 - 9	9	6373
	4	9250		8	6273
	3	9050	SSgts levels 1 - 7	7	6173
	2	8850		6	6057
	1	8650		5	5957
				4	5832
Capt QGO	7	8650		3	5716
	6	8460		2	5616
	5	8270		1	5516
	4	8080			
	3	7890	Sgt	7	5782
	2	7700		6	5666
	1	7510		5	5566
				4	5466
Lt QGO	7	7450		3	5350
	6	7310		2	5250
	5	7170		1	5150
	4	7030			
	3	6890	Cpl	7	4922
	2	6750		6	4821
	1	6610		5	4736
				4	4651
WO1	7	6678		3	4550
	6	6578		2	4465
	5	6478		1	4380
	4	6378			
	3	6278	LCpl levels 5 - 9	9	4420
	2	6178		8	4350
	1	6078	Pte levels 1 - 7	7	4280
				6	4210
				5	4140
				4	4020
				3	3950
				2	3880
				1	3810

Notes:

1. Rank and Pay 2000 incremental level to be used in assessing entitlement for Indian Army Pay to calculate Gurkha Pension Scheme gratuities.
2. IA Pay includes IA Basic Pay Gp X, LSI, GSP, EDA, and DA.