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See Distribution

14 March 2014

GURKHA PENSION SCHEME – 2014 AWARD

References:

- A. Army HQ/Sec/15/01/02 dated 18 March 2013.
- B. 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 2014. 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 2014 pension increment of 10.3% to take account of cost of living increases in Nepal. In line with existing policy the increase this year is based on the Rastra Bank figure for inflation in Nepal. The increase also applies to Dearness Allowance which is used in calculating Indian Army Pay for gratuity purposes. All revised rates supersede those at Reference A.

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**. Since there are no serving members of the scheme, Death in Service Gratuity details are no longer required.

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.

b. **Queen's Gurkha Officers, Honorary Queen's Gurkha Officers and Gurkha Other Ranks**. Revised rates for Queen's Gurkha Officers, Honorary Queen's Gurkha Officers and Gurkha Other Ranks are shown at Annex C.

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 all ranks are shown at Annex E to this letter.
7. **Gurkha Resettlement Grants.** Since there are no serving members of the scheme Resettlement Grant details are no longer required.
8. **Minimum Rates of Pension.** The minimum rate of pension shown in Chapter 9 of Reference B has been raised to ICR 14,635.43 per month with effect from 1 April 2014.
9. **Indian Army Rates of Pay.** Following the introduction of standard Army terms and conditions of service for serving Gurkhas from 1 April 2007, Indian Army rates of pay are now only required for the calculation of gratuities for those personnel who remain on the Gurkha Pension Scheme. Rates of Indian Army pay are attached to this letter at Annex F. 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. The underlying rates of Indian Army pay used in the calculations are those in issue from 1 January 1996 as the pay and related pension changes of the Indian 6th Central Pay Commission announced in 2008 were not implemented for British Gurkhas. Rates are maintained only for corporals and below to cater for the possible need to pay a Death Gratuity for pensioners who were discharged on or after 1 April 2009. These rates will not be required after 1 April 2019 as there will then be no pensioners eligible for the death element of the Death cum Retirement Gratuity.
10. **Gurkha Pay and Pensions Manual.** Reference B 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 Far East and Nepal Administration System for the pensions run for April 2014. Pensioners paid in cash at the Pension Paying Offices will have the new rates due available from 1 May 2014. Banking pensioners will have their accounts credited by the end of April 2014, although this may be later depending on location and the bank used. Payments in cash from Area Welfare Centres will be made in May/June 2014 according to the programme published by Headquarters British Gurkhas Nepal.

B A Morrison

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Annexes:

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

Distribution:

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HQ Brigade of Gurkhas
HQ British Gurkhas Nepal
SPVA(C)/CSC – DCH-ChangeDev-PayPenAI2 and FENAS
SPVA(G)/CSC – Reserves and Overseas Pensions

Information:

HM Treasury (DDI)
MOD PersTrg-Rem_AFPS
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HQ Sp Comd - for ACOS Pers and Comd SPS
HQ Brunei Garrison
Management Accountancy Services (A)
Army PersSvcs PS10
Army PersAdmin

GURKHA COMMISSIONED OFFICERS – RATES OF RETIREMENT PENSION IN INDIAN CURRENCY RUPEES (ICR) WITH EFFECT FROM 1 APRIL 2014

Reference:

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

1. With effect from 1 April 2014 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	72,891.40
Maj(GCO)	22	84,655.40

GURKHA DEATH IN SERVICE GRATUITY RATE WITH EFFECT FROM 1 APRIL 2014

Reference:

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

1. With effect from 1 April 2014 the Death in Service Gratuity is no longer required as there are no serving members of the scheme.

ANNEX B TO
ARMY HQ/SEC/15/01/02
DATED 14 MARCH 2014

MONTHLY GURKHA SERVICE PENSION RATES (INDIAN CURRENCY RUPEES) FOR QUEEN'S GURKHA OFFICERS
GRANTED HONORARY RANK - WITH EFFECT FROM 1 APRIL 2014

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)	52,506.96	54,521.25	56,547.78	58,562.16	60,576.42	62,602.99	64,617.37	66,631.63	66,631.63	66,631.63	66,631.63	66,631.63
On Completion of Tenure		21-24		58,562.16		25-28		66,631.63		29 & Over		66,631.63
Maj(QGO) Hon Lt(GCO)	50,812.01	52,764.82	54,717.77	56,670.69	58,623.53	60,576.42	62,529.40	64,482.16	64,482.16	64,482.16	64,482.16	64,482.16
On Completion of Tenure		21-24		56,670.69		25-28		64,482.16		29 & Over		64,482.16
Capt(QGO)Hon Capt(GCO)	49,071.87	51,367.71	52,848.44	54,730.94	56,613.47	58,507.50	60,390.01	62,272.55				
Capt(QGO) Hon Lt(GCO)	47,487.81	49,312.95	51,138.08	52,963.24	54,788.35	56,613.47	58,438.62	60,263.75				
	21	22	23	24	25	26	27	28	29	30	31	32
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	52,506.96	54,521.25	56,547.78	58,562.16	60,576.42	62,602.99	64,617.37	66,631.63	66,631.63	66,631.63	66,631.63	66,631.63
On Completion of Tenure		21-24		58562.16		25-28		66631.63		29 & Over		66631.63
Hon Capt	47,487.81	49,312.95	51,138.08	52,963.24	54,788.35	56,613.47	58,438.62	60,263.75				

ANNEX C TO
ARMY HQ/SEC/15/01/02
DATED 14 MARCH 2014

**MONTHLY GURKHA SERVICE PENSION RATES (INDIAN CURRENCY RUPEES) FOR QUEEN'S GURKHA OFFICERS,
HONORARY QUEEN'S GURKHA OFFICERS AND GURKHA OTHER RANKS WITH EFFECT FROM 1 APRIL 2014**

	15	16	17	18	19	20	21	22	23	24	25	26	27	28-32
Below Cpl	20,484.12	21,303.49	22,122.85	22,942.21	23,761.59	24,580.95	24,580.95	24,580.95						
Cpl	21,033.75	21,910.16	22,786.56	23,662.97	24,539.38	25,415.80	26,292.19	26,292.19						
Sgt	21,856.81	22,850.29	23,843.80	24,837.27	25,830.79	26,824.26	27,817.75	28,811.24	29,804.75	30,798.25	30,798.25	30,798.25		
CSgt	22,731.05	23,764.28	24,797.51	25,830.74	26,863.97	27,897.21	28,930.43	29,963.65	30,996.91	32,030.16	32,030.16	32,030.16		
WO2	23,640.33	24,714.90	25,789.48	26,864.05	27,938.59	29,013.14	30,087.72	31,162.27	32,236.85	33,311.42	33,311.42	33,311.42		
WO1	24,585.88	25,703.45	26,820.97	27,938.50	29,056.04	30,173.59	31,291.13	32,408.66	33,526.21	34,643.76	34,643.76	34,643.76		
Lt(QGO) and Hon Lt(QGO)	28,846.26	30,281.04	31,727.41	33,162.29	34,608.63	36,054.90	37,489.81	38,936.17	40,370.95	41,817.26	43,269.42	44,711.72		
Capt(QGO)	34,057.60	35,756.43	37,466.80	39,165.73	40,864.58	42,574.97	44,273.79	45,972.65	47,682.97	49,381.83	51,080.71	52,791.06	54,489.86	56,188.75
Maj(QGO)	34,964.42	36,709.21	38,454.08	40,210.27	41,955.00	43,699.83	45,456.06	47,200.89	48,945.61	50,690.46	52,446.70	54,191.48	55,936.30	57,680.99

Note:

1. Minimum pension wef 1 April 2014 is ICR 14,635.43

ANNEX D TO
ARMY HQ/SEC/15/01/02
DATED 14 MARCH 2014

GURKHA DISABILITY ELEMENT PENSION RATES (INDIAN CURRENCY RUPEES)
WITH EFFECT FROM 1 APRIL 2014

Rank \ % Disability	100%	90%	80%	70%	60%	50%	40%	30%	20%
GCO & QGO Granted Hon Rank¹	14,922.40	13,430.16	11,937.92	10,445.68	8,953.44	7,461.20	5,968.96	4,476.72	2,984.48
QGO & Hon Lt(QGO)	10,904.82	9,814.34	8,723.86	7,633.37	6,542.89	5,452.41	4,361.93	3,271.45	2,180.96
GOR	8,895.99	8,006.39	7,116.79	6,227.19	5,337.59	4,448.00	3,558.40	2,668.80	1,779.20

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

ANNEX E TO
ARMY HQ/SEC/15/01/02
DATED 14 MARCH 2014

GURKHA FAMILY PENSION RATES - WITH EFFECT FROM 1 APRIL 2014

Reference:

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

1. With effect from 1 April 2014 the rates of Family Pension payable to dependants of Gurkha personnel in accordance with Reference A are as follows:

	OFF	OFF(ER)	SFP	LFP
Below Cpl	14,635.43	20,484.12	24,580.94	40,968.24
Cpl	14,635.43	21,033.75	25,240.50	42,067.50
Sgt	14,902.36	24,837.27	29,804.72	49,674.54
CSgt	16,118.38	26,863.97	32,236.76	53,727.94
WO2	17,407.88	29,013.14	34,815.77	58,026.28
WO1	19,445.20	32,408.66	38,890.39	64,817.32
Hon Lt(QGO)	23,361.70	38,936.17	46,723.40	
Lt(QGO)	25,090.36	41,817.26	50,180.71	83,634.52
Capt(QGO)	33,713.25	56,188.75	67,426.50	112,377.50
Maj(QGO)	34,608.59	57,680.99	69,217.19	115,361.98
Capt(QGO) Hon Lt(GCO) and Hon Capt	36,158.25	60,263.75	72,316.50	
Capt(QGO) Hon Capt(GCO)	37,363.53	62,272.55	74,727.06	
Maj(QGO) Hon Lt(GCO)	38,689.30	64,482.16	77,378.59	
Maj(QGO) Hon Capt(GCO) and Hon Maj	39,978.98	66,631.63	79,957.96	
Capt(GCO)	43,734.84	72,891.40	87,469.68	
Maj(GCO)	50,793.24	84,655.40	101,586.48	

ANNEX F TO
ARMY HQ/SEC/15/01/02
DATED 14 MARCH 2014

INDIAN ARMY PAY RATES FOR GRATUITIES - WITH EFFECT FROM
1 APRIL 2014 IN INDIAN CURRENCY RUPEES (ICR) PER MONTH

Rank	Incr	IA Pay
Cpl	7	28,249.33
	6	27,669.65
	5	27,181.80
	4	26,693.95
	3	26,114.27
	2	25,626.42
	1	25,138.57
LCpl levels 5 - 9	9	25,368.15
	8	24,966.39
Pte levels 1 - 7	7	24,564.63
	6	24,162.87
	5	23,761.12
	4	23,072.39
	3	22,670.63
	2	22,268.87
	1	21,867.11

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.
3. For the purpose of calculating these rates DA is used with a base of 1 January 1996. The rate of DA has risen to 473.94% as at 1 April 2014.