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See Distribution

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GURKHA PENSION SCHEME – 2018 AWARD

References:

- A. Army HQ/Sec/15/01/02 dated 21 March 2017.
- 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 2018. 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 2018 pension increment of 4.2% to take account of cost of living increases in Nepal. In line with existing policy the increase is based on the Rastra Bank consumer price index 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 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.

4. **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.

5. **Gurkha Family Pensions**. The revised rates of Gurkha Family Pension for all ranks are shown at Annex E to this letter.

6. **Minimum Rates of Pension**. The minimum rate of pension shown in Chapter 9 of Reference B has been raised to ICR 18902.45 per month with effect from 1 April 2018.

7. **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 remained 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 2010. 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.

8. **7th Indian Central Pay Commission**. The results of the Indian 7th Central Pay Commission are still being assessed and will be announced once authorised.

9. **Gurkha Pay and Pensions Manual**. Reference B is to be amended to reflect the changes promulgated above.

10. **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 2018. Pensioners paid in cash at the Pension Payment Offices will have the new rates due available from 1 May 2018. Banking pensioners will have their accounts credited by the end of April 2018, 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 2018 according to the programme published by Headquarters British Gurkhas Nepal.

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Annexes:

- A. Gurkha Commissioned Officers – Rates of Retirement Pension.
- 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.

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HQ Brigade of Gurkhas – for Col BG and Bde Sec
HQ British Gurkhas Nepal
DBS Vets-OPPT-D-23
DBS CSC BPO Gurkha Pensions

Information:

HM Treasury (DDI)
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Army HQ - for DRes/Comd Sec and DPers
HQ RC Pers - for ACOS and Comd SPS
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ANNEX A TO
ARMY HQ/SEC/15/01
DATED 28 MARCH 2018

GURKHA COMMISSIONED OFFICERS – MONTHLY RATES OF RETIREMENT
PENSION IN INDIAN CURRENCY RUPEES (ICR) WITH EFFECT FROM 1 APRIL 2018

Reference:

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

1. With effect from 1 April 2018 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	
Maj(GCO)	22	

ANNEX B TO
ARMY HQ/SEC/15/01
DATED 28 MARCH 2018

MONTHLY GURKHA SERVICE PENSION RATES (INDIAN CURRENCY RUPEES) FOR QUEEN'S GURKHA OFFICERS
GRANTED HONORARY RANK - WITH EFFECT FROM 1 APRIL 2018

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)	67,815.63	70,417.19	73,034.57	75,636.25	78,237.77	80,855.20	83,456.89	86,058.42	86,058.42	86,058.42	86,058.42	86,058.42
On Completion of Tenure		21-24		75,636.25		25-28		86,058.42		29 & Over		86,058.42
Maj(QGO) Hon Lt(GCO)	65,626.51	68,148.66	70,671.01	73,193.32	75,715.52	78,237.77	80,760.15	83,282.26	83,282.26	83,282.26	83,282.26	83,282.26
On Completion of Tenure		21-24		73,193.32		25-28		83,282.26		29 & Over		83,282.26
Capt(QGO)Hon Capt(GCO)	63,379.03	66,344.21	68,256.67	70,688.02	73,119.42	75,565.66	77,997.03	80,428.42				
Capt(QGO) Hon Lt(GCO)	61,333.12	63,690.39	66,047.63	68,404.93	70,762.16	73,119.42	75,476.70	77,833.96				
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	67,815.63	70,417.19	73,034.57	75,636.25	78,237.77	80,855.20	83,456.89	86,058.42	86,058.42	86,058.42	86,058.42	86,058.42
On Completion of Tenure		21-24		75,636.25		25-28		86,058.42		29 & Over		86,058.42
Hon Capt	61,333.12	63,690.39	66,047.63	68,404.93	70,762.16	73,119.42	75,476.70	77,833.96				

ANNEX C TO
ARMY HQ/SEC/15/01
DATED 28 MARCH 2018

**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 2018**

	15	16	17	18	19	20	21	22	23	24	25	26	27	28-32
Below Cpl	26,456.34	27,514.61	28,572.85	29,631.11	30,689.39	31,747.63	31,747.63	31,747.63						
Cpl	27,166.23	28,298.16	29,430.08	30,562.01	31,693.95	32,825.89	33,957.80	33,957.80						
Sgt	28,229.25	29,512.39	30,795.57	32,078.68	33,361.88	34,644.99	35,928.14	37,211.29	38,494.47	39,777.62	39,777.62	39,777.62		
CSgt	29,358.39	30,692.87	32,027.33	33,361.82	34,696.28	36,030.77	37,365.24	38,699.69	40,034.21	41,368.71	41,368.71	41,368.71		
WO2	30,532.77	31,920.64	33,308.51	34,696.39	36,084.22	37,472.04	38,859.94	40,247.77	41,635.65	43,023.52	43,023.52	43,023.52		
WO1	31,754.01	33,197.42	34,640.74	36,084.10	37,527.47	38,970.85	40,414.20	41,857.56	43,300.94	44,744.32	44,744.32	44,744.32		
Lt(QGO) and Hon Lt(QGO)	37,256.52	39,109.62	40,977.69	42,830.93	44,698.95	46,566.88	48,420.14	50,288.20	52,141.30	54,009.28	55,884.82	57,747.65		
Capt(QGO)	43,987.25	46,181.39	48,390.42	50,584.70	52,778.86	54,987.91	57,182.04	59,376.21	61,585.16	63,779.35	65,973.54	68,182.56	70,376.66	72,570.87
Maj(QGO)	45,158.46	47,411.95	49,665.55	51,933.76	54,187.19	56,440.73	58,708.99	60,962.55	63,215.95	65,469.51	67,737.80	69,991.28	72,244.81	74,498.17

Note:

1. Minimum pension wef 1 April 2018 is ICR 18,902.45

ANNEX D TO
ARMY HQ/SEC/15/01
DATED 28 MARCH 2018

MONTHLY GURKHA DISABILITY ELEMENT PENSION RATES (INDIAN CURRENCY RUPEES)
WITH EFFECT FROM 1 APRIL 2018

Rank \ % Disability	100%	90%	80%	70%	60%	50%	40%	30%	20%
GCO & QGO Granted Hon Rank¹	19,273.08	17,345.77	15,418.46	13,491.16	11,563.85	9,636.54	7,709.23	5,781.92	3,854.62
QGO & Hon Lt(QGO)	14,084.16	12,675.74	11,267.33	9,858.91	8,450.50	7,042.08	5,633.66	4,225.25	2,816.83
GOR	11,489.63	10,340.67	9,191.70	8,042.74	6,893.78	5,744.82	4,595.85	3,446.89	2,297.93

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
DATED 28 MARCH 2018

MONTHLY GURKHA FAMILY PENSION RATES (INDIAN CURRENCY RUPEES) - WITH EFFECT FROM 1 APRIL 2018

Reference:

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

1. With effect from 1 April 2018 the rates of Family Pension payable to dependants of Gurkha personnel in accordance with Reference A are as follows:

	OFP	OFP(ER)	SFP	LFP
Below Cpl	18,902.45	26,456.34	31,747.61	52,912.68
Cpl	18,902.45	27,166.23	32,599.48	54,332.46
Sgt	19,247.21	32,078.68	38,494.42	64,157.36
CSgt	20,817.77	34,696.28	41,635.54	69,392.56
WO2	22,483.22	37,472.04	44,966.45	74,944.08
WO1	25,114.54	41,857.56	50,229.07	83,715.12
Hon Lt(QGO)	30,172.92	50,288.20	60,345.84	
Lt(QGO)	32,405.57	54,009.28	64,811.14	108,018.56
Capt(QGO)	43,542.52	72,570.87	87,085.04	145,141.74
Maj(QGO)	44,698.90	74,498.17	89,397.80	148,996.34
Capt(QGO) Hon Lt(GCO) and Hon Capt	51,635.05	86,058.42	103,270.10	
Capt(QGO) Hon Capt(GCO)	49,969.36	83,282.26	99,938.71	
Maj(QGO) Hon Lt(GCO)	48,257.05	80,428.42	96,514.10	
Maj(QGO) Hon Capt(GCO) and Hon Maj	46,700.38	77,833.96	93,400.75	
Capt(GCO)	56,485.96	94,143.26	112,971.91	
Maj(GCO)	65,602.27	109,337.12	131,204.54	

ANNEX F TO
ARMY HQ/SEC/15/01
DATED 28 MARCH 2018

INDIAN ARMY PAY RATES FOR GRATUITIES - WITH EFFECT FROM
1 APRIL 2018 IN INDIAN CURRENCY RUPEES PER MONTH

Rank	Incr	IA Pay
Cpl	7	36,485.80
	6	35,737.11
	5	35,107.02
	4	34,476.93
	3	33,728.24
	2	33,098.15
	1	32,468.06
LCpl levels 5 - 9	9	32,764.58
	8	32,245.68
Pte levels 1 - 7	7	31,726.78
	6	31,207.89
	5	30,688.99
	4	29,799.46
	3	29,280.56
	2	28,761.66
	1	28,242.77

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 641.28% as at 1 April 2018.