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Major Bhimbahadur Gurung MVO MBE  
Chairman  
The Regimental Associations Nepal Committee  
EPC 2463, GPO 8975  
Kathmandu  
Nepal

7<sup>th</sup> March 2019

*Dear Major Gurung,*

### **GURKHA PENSION SCHEME AND VETERANS SUPPORT**

It was a pleasure to meet you in Nepal last year and I was grateful to receive the letter of 13 February 2018 which you presented during the visit of the Right Honourable Mark Lancaster TD MP, the Minister of State for the Armed Forces. I am sorry I was not able to meet you again during the Minister's most recent visit last month. In your letter you set out a range of requests and notifications from the Regimental Associations of Nepal about the Gurkha Pension Scheme and other support for Gurkha veterans which you wish the British Government to consider. Over the last year the British Government has continued to have constructive dialogue with the Government of Nepal about these issues, and others raised in the Technical Committee report into Gurkha veterans' grievances.

I am now writing to inform you about the announcement the Government has made today about a range of improvements to Gurkha pensions and other support for Gurkha veterans. This has been the result of many months of work and dialogue with yourselves, the Government of Nepal and through the Technical Committee process. This has been conducted in a positive and fair spirit, and one which reflects the recognition of the enduring gratitude and support the United Kingdom continues to hold for the service provided by Gurkhas over the course of over 200 years.

The Government is announcing increases to Gurkha pensions of between 10-34%, depending on an individual's rank and their years of service. This represents an investment of an additional GBP 15 million per year/NPR 2.25 billion and reflects extensive analysis of the impact of the 7<sup>th</sup> Indian Central Pay Commission and its implications for Gurkha Pension Scheme. These increases will be effective from 1 January 2016 to align them with the 7<sup>th</sup> Indian Central Pay Commission with recipients receiving the balance of monies due to them – totalling over £31m/NPR 4.5 billion - from this date at the increased rates. In addition, we will also be applying an inflationary increase of 3.7% from 1 April 2019. This is the rate of inflation as set by the Nepal Central Rastra Bank in December 2018. Work is underway to implement the changes to ensure individuals are receiving the correct rate of future pension and the Ministry of Defence is hoping to begin the payment of pensions at these new rates as early as possible in the new UK financial year. As with past practice we will be making copies of the new pension rate tables available in due course via the Brigade Association and British Gurkhas Nepal so that individuals can see the direct impact on their own pension of these changes. Recipients of the Gurkha pension scheme will also continue to benefit from additional increases to their pensions when they reach the age of 80.

These increases are significantly higher than the norms across the United Kingdom Public Sector and compare very favourably with the most recent increase in the Armed Forces Pension Scheme which was 3%. The Government is committed to doing is ensuring the continued provision of a fair and positive standard of living in Nepal and that the Gurkha Pension Scheme is sustainable and fair alongside other UK public sector pensions. It will therefore be reviewing how future increases in the rates of Gurkha Pension Scheme are calculated. Further details of this review will be published in due course.

In your letter you also raised the question of medical benefits. The Government has had a commitment to explore ways to provide additional medical support for Gurkha veterans in Nepal. The Government is therefore investing £25m/NPR 3.6 billion over the next 10 years in medical support for veterans. We intend to deliver this investment through the Gurkha Welfare Trust at a rate of £2.5m per year from 1 April 2019. We are developing plans with the Trust for how this investment can best be used to complement the existing medical and healthcare support arrangements they have in place for all Gurkha veterans. In your letter you also raise the case of those small number of Gurkha veterans with less than four years' service who left the Brigade for medical reasons, and whether they can have the right to settle in the United Kingdom extended to them. This Government is continuing to consider this request and it is actively being considered between Departments. I will update you in due course on the outcome.

I recognise that these commitments do not address every point or grievance that Gurkha veterans have raised in recent years. I understand that during his most recent visit the Minister set out the reasons why the Government cannot agree to some of the things which some Gurkha veterans have been seeking. However, I hope that you would agree that this represents a substantial collective investment in Gurkha veterans and demonstrates the Government's commitment to fair pensions which provide for a good standard of living in Nepal, and to ensure that veterans receive the long-term support and healthcare that they deserve.

A full copy of the statement made today can be found [here](#). I intend to ask the Brigade of Gurkhas to publish this letter on its website and I am therefore copying it to the Association Chairman, Lieutenant General Sir David Bill KCB and to the Colonel Commandant of the Brigade of Gurkhas, Lieutenant General Nick Pope CBE.

Yours sincerely

