

LEGACY GURKHA PENSION SCHEME
IMPLEMENTATION OF THE 7th INDIAN CENTRAL PAY COMMISSION
QUESTIONS AND ANSWERS

Q. What was the outcome of the consultation on the implementation of the 7th Central Pay Commission?

A. Ministers have reconsidered all the factors including the input from the consultation, however no fresh evidence was provided beyond that which had already been considered in the original decision. Ministers have decided that 140% of the Indian rates, with a minimum of 10% for those already above 140%, is the most appropriate level to implement the 7th Central Pay Commission for the legacy Gurkha Pension Scheme. The response document will be published on the gov.uk website.

Q. What was the point of a public consultation? The Government have not taken any views into account and have implemented the original decision.

A. The Government recognises that the issue of the implementation of the 7th Central Pay Commission is important to Gurkha pensioners and agreed to have a public consultation so that all views could be considered. Following the consultation the views were analysed and a fresh decision made.

Q. Why has the original decision been implemented?

A. The Government sought and welcomed views via the public consultation process. All the previous factors along with the input from the consultation have been considered enabling ministers to make a fresh decision based on all the evidence. Ministers have considered all the factors and have decided that 140% of the Indian rates, with a minimum of 10% for those already above 140%, is the most appropriate level to implement the 7th Central Pay Commission for the legacy Gurkha Pension Scheme.

Q. Why are Gurkha Pension Scheme pensioners not getting a pension at double the Indian rate?

A. The doubling policy was to cater for benefits in kind, principally medical, that the Indian Army provided for its pensioners which UK could not provide in Nepal. The UK has been able to provide enhanced medical support through the Gurkha Welfare Trust and this has resulted in a reduction in the additional percentage paid on top of the standard Indian Army pension rate but all Gurkhas received an increase in legacy pensions from 1 January 2016 and arrears were paid.

Q. When will the new rates of pension be received?

A. There are no new rates of pension as Ministers have decided that legacy Gurkha pensions should remain at the existing level implemented from the start date of the 7th Central Pay Commission. Gurkha Pension Scheme members are already in receipt of the revised rate and the increases were backdated to 1 January 2016 the effective date of the 7th Central Pay Commission.

Q. Will arrears be paid?

A. No, there are no arrears for legacy Gurkha Pension Scheme pensioners as the rates have not changed. Increases have already been implemented and backdated to 1 January 2016, the effective date of the 7th Central Pay Commission.

Q. This decision under values the contributions of Gurkha pensioners

A. Gurkhas have made an outstanding contribution to the UK through their years of dedicated service to the Crown and are held in high esteem.

The Government is committed to ensuring the continued provision of a fair and positive standard of living in Nepal for our Gurkha veterans and that the Gurkha Pension Scheme is sustainable and fair alongside other UK public sector pensions.

The 1948 Gurkha Pension Scheme was closed to new applicants in 2007 and Gurkhas who had served beyond 1997 were given the option to transfer to the Armed Forces Pension Scheme. Gurkhas who joined after 2007 receive exactly the same pension under the Armed Forces Pension Scheme as all other Armed Forces personnel.

Around 90% of Gurkhas on the legacy Gurkha Pension Scheme receive more value from their pension over their lifetime than other Armed Forces personnel in the Armed Forces Pension Scheme with the same service even before the recent 7th Central Pay Commission increases. Whilst legacy Gurkha Pension Scheme pensions are smaller, most are paid for longer; from as early as age 33, whereas the Armed Forces Pension Scheme pays a pension only from age 60/65.

Q Why have the concerns of the Gurkha pensioners not been addressed?

A. The consultation allowed Gurkha pensioners and other interested parties to air their views and provide evidence on why other options for the implementation of the 7th Central Pay Commission should be considered. Ministers have taken these views into account when making their fresh decision.

We are looking forward to the appointment of a new Ambassador from Nepal to take part in the formation of the Bilateral Committee to discuss Gurkha Veteran Welfare issues. Whilst we had aimed to begin the committee in December, it would be inappropriate for us to move forward unilaterally. We will be ready to commence when a new Ambassador is appointed

Q. What are the additional medical benefits Gurkha pensioners can receive?

A. The Gurkha Welfare Trust has been given £25m over 10 years to provide enhanced medical support for veterans and their families. This investment is building on the existing medical support programme they have in place in Nepal that Gurkha pensioners already benefit from.

Q. Will Gurkha pensioners still have to pay a contribution?

A. That is a matter for the Gurkha Welfare Trust.

Q. How much more than the Indian pension rate have Gurkha pensioners received?

A. From 1 January 2016 the baseline for the legacy Gurkha Pension Scheme has been set at 140% of the Indian rate.

Q. Why do some get more of an increase from 7th Central Pay Commission?

A. Legacy Gurkha pension rates were compared to the new Indian rates of 1 January 2016. Where rates were below 140% they were increased. Those rates that were above the Indian rates did not qualify for an increase from 7th Central Pay Commission but have been given a 10% increase.

Q. Has One Rank One Pension (OROP) been implemented for the legacy Gurkha Pension Scheme?

A. Yes, the Indian Army pension rates including OROP on 1 January 2016 are the basis for legacy Gurkha Pension Scheme rates in 7th Central Pay Commission.

Q. If OROP has been implemented why are the rates not the same for all increments within each rank?

A. Where legacy Gurkha Pension Scheme rates were higher than the Indian Army equivalent then OROP has no effect as Gurkhas are already getting more. Also, in the Indian rate tables there are still some differences in rates, especially for the higher ranks.

Q. If a Gurkha Pension Scheme pensioner receives a Disability Pension. How has 7th Central Pay Commission affected them?

A. The disability element of Disability pensions has changed in three ways:

- There are different rates for each rank.
- It is now included in the additional quantum of pension for those aged 80 and above.
- The percentage disability awarded has been consolidated into three broad bands for payment, as can be seen below.

Accepted Percentage of Disability	Percentage of the 100% Rate to be Reckoned for Calculation of the Disability Element
20% or more but less than 50%	50%
Between 50% to 75%	75%
Between 76% to 100%	100%

Q. If a Gurkha Pension Scheme pensioner is still making repayments for their commutation. How will 7th Central Pay Commission they be affected?

A. There is no effect on their commutation repayments from 7th Central Pay Commission. Their repayments have continued as before and are indexed by inflation each year. This means they have received all of the 7th Central Pay Commission increase due to them.

Q. If a Gurkha transferred to the Armed Forces Pension Scheme and receives a pension from that scheme. Do they get anything from 7th Central Pay Commission?

A. No. They are a member of the Armed Forces Pension Scheme and the changes from 7th Central Pay Commission had no effect on them.

Q. If a Gurkha transferred to the Armed Forces Pension Scheme and was given a preserved pension but is still on the legacy Gurkha Pension Scheme as they are below the age of 60. Do they benefit from 7th Central Pay Commission?

A. Yes. They will receive the new legacy Gurkha Pension Scheme pension rates until they reach the age of 60 when they will be moved over to the Armed Forces Pension Scheme.