
Important Information – see Home Page

- Gurkha Terms and Conditions of Service Report Summary
- Pensions - Gurkha Offer to Transfer(GOTT)
- Brigade of Gurkhas One Day's Pay Scheme
- Education and Welfare Fund
- Gurkha Welfare Support Office

Increases to Gurkha Pension

With effect from 1 Apr 09 there will be an increase in pensions paid through the GPS of 14.1%. This is in line with inflation in Nepal.

In addition a significant increase of 20% or more, will be applied depending on age, to some 1000 Service pensioners or their surviving immediate dependants who are 80 years or over, which will be backdated to Jan 06. This increase is in line with the UK Government's commitment to the Tri-Partite Agreement (TPA). This means the elderly, who are the most vulnerable, will get an overall increase of at least 34% on their Service pensions this year.

The policy is to ensure that the 26,500 Gurkha pensioners mainly living in Nepal are treated fairly. The GPS currently costs the MOD some £47M per year and it is calculated that these increases will add to the cost a further £7M annually.

Background

The GPS is linked to the Indian Pay and Pensions Scheme by the 1947 TPA. Since 1947 the Government of India (GoI) has revised the pension arrangements of their Army every ten years under the Indian Pay Commission (IPC); the Sixth IPC review started late and reported last year.

As part of this announcement the UK Government reviewed the mechanism by which MOD up rates Gurkha pensions annually. Ex-Gurkhas have in recent years been critical of annual rises in their pensions on the basis that they did not reflect the cost of living in Nepal. This review has recommended that Gurkha pensions should continue to be protected from inflation in Nepal by using the annual official Nepal inflation rate based on Government of Nepal's (GoN) Rastra Bank. The inflation rate as at Dec 08 was 14.1% and all 26,500 Gurkha pensioners will receive the increase with effect from 1 Apr 09.

The 6th IPC has focussed its major benefits on the very elderly and the increases for those above the age of 80 are as follows:

On Attaining Age of	Additional Amount of Pension Increase
80 years	+ 20% of basic pension
85 years	+ 30% of basic pension
90 years	+ 40% of basic pension
95 years	+ 50% of basic pension
100 years	+ 100% of basic pension

Summary

This announcement represents a valuable increase to the benefit of our Ex-Servicemen in the GPS. It also demonstrates the UK Government's continuing commitment to the retired Gurkha community in Nepal, and its long standing links with the GoN which it greatly values, and wishes to maintain.
