



## Gurkhas: Terms and Conditions of Service

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The Terms and Conditions of Service of the British Army's Brigade of Gurkhas were originally set down in accordance with the *Tripartite Agreement* of 1947 between the UK, India and Nepal. The agreement provided commonality with respect to key Service conditions such as pay and pensions, irrespective of whether Gurkhas were enlisted in the British or Indian Armies.

Over the last few years various changes to Gurkha terms and conditions of service have been made in order to bring them more closely into line with their counterparts in the British Army. In September 2004 the decision to grant Gurkhas indefinite leave to remain in the UK upon completion of four years of service and the opportunity to eventually apply for British citizenship was announced by the Government. Changes to the Married Accompanied Service Allowance were also made in August 2005. In addition the MOD also announced in January 2005 that it would undertake a comprehensive review of Gurkha terms and conditions of service. The conclusions and recommendations of that review were published in March 2007.

This note provides a brief history of the Gurkhas and the basic obligations for terms and conditions of service which were initially set down under the *Tripartite Agreement*. It examines the subsequent changes to those terms and conditions of service, including the wide-ranging recommendations of the MOD's review.

Further detailed information on the recent changes to immigration and citizenship rules and pension rights relating to Gurkhas following the March 2007 review is available in the following Library Standard Notes:

SN/HA/4399, [Immigration: discharged members of the Armed Forces](#), 11 June 2009

SN/BT/4375, [Gurkha Pensions](#), 12 June 2009

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**Contents**

**1 Background 2**  
1.1 Brief History of the Gurkhas 2  
1.2 The Tripartite Agreement 1947 and Gurkha Terms and Conditions of Service 4  
**2 2003 Judicial Review 7**  
**3 New Terms and Conditions of Service 8**  
3.1 Citizenship and Leave to Remain in the UK 8  
3.2 Married Accompanied Service Allowance 9  
**4 The 2007 Review Recommendations 10**

**1 Background**

**1.1 Brief History of the Gurkhas**

Gurkhas have provided service to the Crown since 1815, following the conclusion of the Anglo-Nepali War (1812-1815). Under the terms of the Peace Treaty large numbers of Gurkhas were permitted to volunteer for service in the British East India Company’s Army and from these volunteers the first Gurkha regiments were raised. Throughout the 19<sup>th</sup> century these Gurkha regiments saw service in the Indian Mutiny (1857-8), Burma, Afghanistan, the North East and North West Frontiers of India, Malaya, China and Tibet.

Following the outbreak of World War One the whole of the Nepalese Army was placed at the disposal of the British Crown. Approximately one hundred thousand Gurkhas also enlisted in regiments of the Gurkhas Brigade and fought in France, Belgium, Persia, Egypt, Mesopotamia, Gallipoli, Palestine and Salonika.

During the Second World War there were 40 serving Gurkha Battalions which equated to approximately 112,000 men. Alongside British and Commonwealth troops the Gurkhas fought in Syria, the Western Desert, Italy, Greece, from North Malaya to Singapore, and from the Siamese border through Burma to Imphal and then forward to Rangoon.

When India became independent in 1947 there were 10 Gurkha regiments in the Indian Army, each consisting of a number of battalions. As a result of negotiations between the Nepalese, British and Indian governments, referred to as the *Tripartite Agreement* (see below), four of these regiments were transferred into the British Army while the remainder continued to serve with the Indian Army. On 1 January 1948 those four regiments formed the Brigade of Gurkhas. Those regiments were:

- 2<sup>nd</sup> King Edward VII’s Own Gurkha Rifles (The Sirmoor Rifles)
- 6<sup>th</sup> Gurkha Rifles (later Queen Elizabeth’s Own)

- 7<sup>th</sup> Gurkha Rifles (later Duke of Edinburgh's Own)
- 10<sup>th</sup> Gurkha Rifles (later Princess Mary's Own)

When these regiments moved to the Far East in 1948 they formed, along with other units of the British Army already there, the 17 Gurkha Infantry Division. After 1948 the following additional Gurkha units were raised:

- Gurkha Engineers (now The Queen's Gurkha Engineers)
- Gurkha Signals (now The Queen's Gurkha Signals)
- Gurkha Army Service Corps (now The Queen's Own Gurkha Logistic Regiment)
- Gurkha Independent Parachute Company (disbanded in 1972)
- Gurkha Military Police (disbanded in 1964)

The Brigade of Gurkhas operated continuously throughout the Malayan Emergency (1948-1960), proving their expertise at jungle warfare. Between 1962 and 1966 the Brigade of Gurkhas formed the bulk of the British Army's contingent in the Borneo campaign.

Between 1967 and 1972 the strength of the Brigade of Gurkhas was reduced from 14,000 to 8,000 as a result of changing defence commitments and the reorganisation of the Armed Forces. This was achieved by a reduction in the number of Gurkha infantry battalions from eight to five and reductions in the strength of the Signals, Engineers and Transport units. The Gurkha Parachute Company and the Gurkha Military Police were also disbanded.

When British forces withdrew from Singapore in 1971 three battalions were stationed in Hong Kong, one was stationed in the UK and the other in Brunei. In 1974 the battalion based in the UK was deployed to Cyprus to reinforce the British Sovereign Base Area when Turkey invaded the island. Since 1978 the UK-based battalion has taken its turn in helping to garrison Belize and in 1982 the 1<sup>st</sup> Battalion 7<sup>th</sup> Gurkha Rifles took part in the Falklands Campaign. In 1990-91 the then Gurkha Transport regiment and the Band of The Brigade of Gurkhas were deployed during the Gulf War.

Following a series of defence reviews in the early 1990s the Brigade was reduced again from 8,000 to 3,500 personnel. In 1994 the four Rifle Regiments were disbanded and reformed into the Royal Gurkha Rifles (RGR) which initially consisted of three battalions but was reduced to two in 1996 following the withdrawal of the 1<sup>st</sup> Battalion RGR from Hong Kong to the UK. Since August 2006, 1<sup>st</sup> Battalion RGR has been deployed in Brunei while 2<sup>nd</sup> Battalion RGR is based in Folkestone.

There are also three Corps Units of the Brigade of Gurkhas:

- The Queen's Gurkha Engineers
- The Queen's Gurkha Signals
- The Queen's Own Gurkha Logistic Regiment.

Since the mid-1990s the Gurkhas have been deployed in Kosovo, East Timor, Sierra Leone, Bosnia and Afghanistan.

The Brigade of Gurkhas is liable for service anywhere in the world, although under current policy they do not serve in Northern Ireland.

The Gurkhas also have a headquarters in Nepal (British Gurkhas Nepal) with the key roles of recruitment, welfare and support and resettlement.

## **1.2 The Tripartite Agreement 1947 and Gurkha Terms and Conditions of Service**

Before 1947 Gurkha soldiers were only enlisted into the British Indian Army. Their terms and conditions of service were solely a matter for the British Indian authorities and were developed without reference to the British Government in London or with regard to other legislation. When India became independent in 1947 four Gurkha regiments were transferred to the British Army. The remainder of the Gurkha Brigade formed part of the new Indian Army. One of the underlying principles of this arrangement was the requirement that Gurkha soldiers in both armies should serve under broadly the same terms and conditions of service. This was considered essential in order to avoid creating an unfair advantage to either community of Gurkha personnel and key to ensuring economic and social stability within the Gurkha recruiting areas of Nepal.

To ensure commonality in the terms and conditions of service the *Tripartite Agreement* (TPA) was signed between the Governments of India, the UK and Nepal in 1947. The TPA is a series of documents comprising a Memorandum, a number of Annexes and several trilateral and bilateral exchanges between the three Governments. The TPA did not seek to address every aspect of the terms and conditions of military service. However, it does set down the basic principles and obligations with regard to several key conditions of service such as pay, pensions and allowances, leave, children's education and provisions to meet religious, national and cultural observances.

An MOD document outlining the basic tenets of the TPA states:

The key tenets of the TPA, evident from the letter and spirit of the papers:

- The TPA clearly implies that the Gurkha soldier must be recruited as a Nepali citizen, must serve as a Nepali citizen, and must be resettled as a Nepali citizen.
- The TPA requires that all religious and cultural observances must be preserved in accordance with the demands of the Hindu faith.
- The TPA requires that Gurkha soldiers in both the Indian and British Armies should receive the same basic rates of pay, although allowances may be paid to reflect differences in the costs of living between countries where Gurkha soldiers might serve outside Nepal.
- The TPA requires that subject to satisfactory performance and conduct, all soldiers should be allowed to serve for sufficient time in order to qualify for a pension.
- The TPA requires that all Gurkha soldiers should be allowed an extended period of leave in Nepal every three years.
- The TPA clearly states that Gurkha soldiers recruited into the British are liable for service worldwide.

- The TPA requires that Gurkhas are fully integrated into the Army to which they are recruited and under no circumstances are they to be considered mercenaries.<sup>1</sup>

The specific terms and conditions of service of the Brigade of Gurkhas of the British Army were set down in accordance with the TPA. In many areas the Terms and Conditions of Service were identical to those of other soldiers within the British Army. However, there were some differences which arose from the TPA in terms of rates of pay, pension provision and accompanied service.

On the specific issue of pay, allowances and pensions the original terms and conditions of service stated:

### **Pay and Pay Structure**

In accordance with the TPA, British Gurkha basic pay rates are linked to the Indian Army Pay Code. The last review of pay was as a result of the 1996 5th Indian Army Pay Commission (5 IPC). The IPC reports every 10 years and recommends pay and pension awards for the Indian Army. The 5 IPC reported in 1997 and once its recommendations had been approved by the Indian Government they were applied to British Gurkhas. Any other interim changes to the Pay Code are implemented as India notifies them to the UK Government.

While Gurkha basic pay continues to be set in accordance with the Indian Army Pay Code, the TPA permits Gurkhas to receive an allowance to compensate for the higher cost of living while serving outside Nepal. This allowance is called Universal Addition (UA) and is paid to Gurkhas wherever they serve. Rates of UA vary depending on rank, qualification and marital status similar to the basis of pay for Regular Army soldiers. A Gurkha's net take home income, i.e. the sum of Indian Army (IA) Basic Pay plus UA, is broadly equivalent with the net take home pay of his British Army counterpart serving in the UK.

### **Allowances**

Where it is appropriate, allowances paid to Gurkhas are in accordance with those paid to Regular Army personnel. Any differences are those related to specific demands in the TPA, some of which are to the benefit of the Gurkha; for instance free accommodation, free medical and dental treatment and special leave allowances when Gurkhas take Nepal Leave.

### **Pensions**

In accordance with the TPA pension rates of Gurkhas in the British Army are linked to the Indian Army Pension Code. All British Gurkhas are discharged in Nepal.<sup>2</sup> For those who complete a minimum of 15 years service there is entitlement to an immediate index linked pension. Depending on the circumstance of death, between 60% and 200% of pensions can be passed on to a widow and then to children up to the age of 25 years. Rates are also increased annually in line with the cost of living in Nepal. The annual cost of living increase reflects inflation by taking into account the increases awarded by a representative sample of private and public sector employers in Nepal. In 2002 all pensions were increased by 10.4% to reflect a rise in the cost of living in Nepal.

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<sup>1</sup> This document has since been removed from the MOD website. A hard copy is available from the International Affairs and Defence Section of the House of Commons Library.

Every ten years the Indian Government sets up a Pay Commission to review not only Indian Army pay but also pensions. The 5th Indian Government Pay Commission made recommendations in 1997 and once approved by the Indian Government were passed on to British Gurkhas. In meeting its obligations to the TPA, the UK Government awarded significant increases in pensions, in some case up to 50%, to 25,500 British Gurkha pensioners and their families.

In 1999, following the deaths of two Gurkhas in Kosovo, one British and one Nepalese, the UK Government wished to ensure that the pensioners and widows were receiving appropriate provision. Minister (Armed Forces) established and led an examination of British Gurkha service pensions and death gratuities within the context of the TPA. The objective was to achieve fair and balanced pensions and death gratuities for British Gurkhas which provide appropriate financial provision in relation to their service in the British Army whilst recognising their status as Nepalese citizens and their return to Nepal on retirement.

The first stage of the review agreed on increased payments for attributable death in service gratuities and was announced by the Prime Minister in 1999. In line with the TPA, new rates for death in service were based on payments implemented by the Indian Government earlier the same year. The basis of the award acknowledged an ex-gratia payment paid by the Indian Central Government plus an Indian State Government payment. A UK element was introduced to substitute for the Indian State government payment. This UK element brought payments for death in service to the level of the rates for comparable British Army servicemen. The new rates were introduced, in line with the Indian Army, and took effect from 26 May 1999 (the beginning of Indian Army operations in Kashmir).

The second stage of the examination agreed substantial improvements to Gurkha pensions. The new increases introduced a welfare related cash uplift to reflect benefits in kind received by Indian Army pensioners within the terms and conditions of the TPA. All pensioners received a minimum 100% increase but some received considerably more, reflecting further increases arising from the Indian Government 5th Pay Commission. These increases were introduced for all 25,500 Gurkha with effect from 1 April 2000. From the outset Ministers were determined to ensure that justice was done to British Gurkhas and the Brigade of Gurkhas believe that this examination did just that.

Apart for reviews conducted in response to Indian Government Pay Commission reports and the application of an annual cost of living index, it is very unlikely that a further detailed examination will be necessary in the short term.

The way in which Gurkha ex-servicemen receive their pensions depends upon the region in which they live. Those based close to the main population centres in Nepal are able to receive their pension either directly into bank accounts or from one of the three Pension Paying Offices in Kathmandu, Pokhara and Itahari. These are manned on a full-time basis and the majority of ex-Gurkhas opt to receive their pension this way.

Nepal has poor communications, and it is recognised that the arrangements explained above do not cater for residents in the more rural and remote areas. For this reason, Gurkha pensions are also paid quarterly, in cash, via Area Welfare Centres. There are 24 of these located throughout Nepal, but concentrated near the main ex-Gurkha population centres where there are often no banking facilities. Nepal's topography,

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<sup>2</sup> On 30 September 2004 the Government announced changes to the immigration rules regarding Gurkhas. Details on these changes are outlined below.

inclement weather and poor infrastructure, means that it is inevitable that some pensioners will still have to undertake long journeys in order to collect their pension. These difficulties are minimised as far as possible and where necessary, special arrangements are put in place to enable pensions to be collected on behalf of the sick or infirm.

It is important to point out that:

\* The TPA enables Nepalese troops to be recruited and employed in the British and Indian Armies on a broadly comparable basis and therefore British Gurkha pensions are linked to Indian Army rates. Introducing pensions at British Army rates would move completely away from the TPA and deny a pension to the majority of Gurkhas until well into their later life.

\* British Army pensions reflect the cost of living in the UK and an immediate pension is not paid until a Regular Army soldier has completed 22 years service. Even then it is not index linked until aged 55 years. Those Regular Army soldiers who do not achieve a full 22 years service receive only a preserved pension when aged 60 years. In addition, a British Army pension is taxed and pensioners usually have to undertake a second career. A Gurkha pension is based on the cost of living in India and Nepal, it is paid immediately after 15 years service (87% of Gurkhas retire at this point) and it is index linked once commenced. The value of a Gurkha pension is considerable in Nepal. All in all, Gurkhas get a very fair deal. This is one of the reasons that there are 28,000 applicants for the 230 places available each year in the Brigade of Gurkhas.<sup>3</sup>

The original terms of married accompanied service allowance are set out in section 3.2.

Until recently no attempt had ever been made to revise the TPA (see section 3). Where appropriate the British and Nepalese Governments reached new arrangements complementary to the 1947 Agreement with respect to particular aspects of the employment of Gurkhas in the British Army. Pay, cost of living allowances, pensions and other conditions of service have been regularly updated by the Ministry of Defence in line with changes instituted by the Indian Government for its Gurkha troops and in order to meet changes in force levels including deployments introduced by the British Government. A review of the terms and conditions of service of Gurkha personnel to ensure they remained in line with the obligations of the TPA was undertaken in 1997 for example when the Royal Gurkha Rifles were withdrawn from Hong Kong and largely relocated back to the UK.

A copy of the original terms and conditions of service, based on the principles of the TPA, is available from the International Affairs and Defence Section of the House of Commons Library.

## **2 2003 Judicial Review**

During 2002 several claims for alleged discrimination in Gurkha terms and conditions of service were brought against the MOD under the *Human Rights Act 1998*. The claimants were granted the right to a Judicial Review, although the Judge considering the case directed that only those grievances relating to pay, pensions and married accompanied service should be considered.

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<sup>3</sup> Ministry of Defence, *Gurkha Terms and Conditions of Service*. A copy of this document is available from the International Affairs and Defence Section of the House of Commons Library.

That legal challenge was heard in the High Court in February 2003 (Purja et al v MOD). In conclusion to the Judicial Review, the Hon. Mr Justice Sullivan ruled that Gurkha terms and conditions of service were non-discriminatory. However, Mr Justice Sullivan recommended that the MOD should review married accompanied service arrangements for Gurkhas to ensure that they could be objectively justified.

In a Written Answer on 2 April 2003 the then Parliamentary Under Secretary of State for Defence, Dr Lewis Moonie, stated:

In a recent High Court ruling, Gurkha pay and pensions arrangements were judged to be fair and non-discriminatory. Inter alia, the Court noted that Gurkha remuneration is broadly in line with the pay of British personnel and that Gurkha pensions, available after only 15 years of service, compare favourably with professional salaries in Nepal. Although claims relating to Gurkha accompanied service provisions were also dismissed, we recognise that the current arrangements are a cause for concern and are therefore studying these aspects of the ruling very carefully.<sup>4</sup>

An appeal against the High Court ruling was brought but subsequently dismissed by the Court of Appeal in October 2003.<sup>5</sup> In a statement to the media the then Parliamentary Under Secretary of State for Defence, Ivor Caplin, stated:

I very much welcome this ruling, which vindicates our view that special arrangements for Gurkhas are necessary in order to reflect their unique status as Nepalese citizens, recruited and discharged in Nepal. Overall, the arrangements are generous and fair. Importantly, they enable Nepalese recruits to join the British Army who would not otherwise have that opportunity.

Gurkha terms and conditions of service are, however, kept under constant review. Where necessary, they are updated and enhanced. Even now, a review is underway into Gurkha married accompanied service provisions – I hope to announce the outcome later this year. In considering the extent to which changes or enhancements to Gurkha married accompanied service arrangements are necessary, I will of course listen to the views of our serving and former Gurkha soldiers very carefully. I will also take note of the issues raised in this very important case.<sup>6</sup>

The case was not taken forward for consideration in the House of Lords.

### **3 New Terms and Conditions of Service**

#### **3.1 Citizenship and Leave to Remain in the UK**

Detailed information on the recent changes to the rules regarding indefinite leave to remain in the UK and citizenship is set out in Library Standard Note [SN/HA/4399](#).

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<sup>4</sup> HC Deb 2 April 2003, c736-7W

<sup>5</sup> The judgement in Purja et al v MOD is available online at:  
<http://www.courtservice.gov.uk/judgmentsfiles/j1969/purja-v-mod.htm>

<sup>6</sup> [http://www.army.mod.uk/brigade\\_of\\_gurkhas/judicial\\_review.htm](http://www.army.mod.uk/brigade_of_gurkhas/judicial_review.htm)



### **3.2 Married Accompanied Service Allowance**

A review of the Terms and Conditions of Service was undertaken in July 1997 following the withdrawal of the Royal Gurkha Rifles from Hong Kong. One of the conclusions of that review was that married accompanied service should be introduced for Gurkhas serving in the UK. However, in accordance with the TPA, the decision was taken to continue the policy whereby only one quarter of married Gurkhas would be accompanied by their families at any one time. Consequently married accompanied service entitlement after 1997 was for one married accompanied tour of between two and three years in the first fifteen years of service and permanent accompanied service for Gurkhas ranked Colour Sergeant and above.

Following the Judicial Review into the terms and conditions of Gurkhas in February 2003 the MOD announced that it would undertake a review of Gurkha married accompanied service policy.

In a Statement in the House of Lords the then Minister for Defence Procurement, Lord Bach, commented:

The Government are acutely aware of the need to ensure that we have fair and appropriate terms and conditions of service for Gurkha personnel. The current arrangements stem from the 1947 Tripartite Agreement (TPA) between the Governments of UK, Nepal and India. One of the aims of this agreement was to safeguard the cultural, religious and ethnic heritage of Gurkha soldiers in accordance with the wishes of the Nepalese Government. It also linked British Gurkha terms and conditions of service to arrangements in the Indian Army.

The Government recognise, of course, that not all the principles that underpinned the TPA in 1974 apply today. It is for this reason that successive governments have regarded the TPA as having a degree of flexibility. This has enabled significant enhancements to be made to Gurkha conditions of service, particularly to Gurkha pay and pension arrangements. Indeed, Gurkha in-service remuneration is now in line with that of British personnel and Gurkha pensions, which were reviewed and at least doubled in April 2000, now compare favourably to professional salaries in Nepal, where all Gurkhas are discharged. Importantly, Gurkhas continue to be paid an immediate pension after only fifteen years' service, whereas the vast majority of British personnel receive a preserved pension payable at the age of 60.

The Government are satisfied, therefore, that these key elements of Gurkha terms and conditions of service are tailored to the needs of Gurkhas in 2003 and in particular that the difference between the pension schemes is both necessary and proportionate.

Gurkha accompanied service provisions, however, have not been reviewed since the brigade's withdrawal from Hong Kong in 1997. It was decided at that time that married accompanied service should be introduced in the UK, but that, in accordance with the TPA, it should continue to be capped at 25 per cent of brigade strength. In practice, this means that family married quarters are provided for all Gurkhas holding the rank of Colour Sergeant or above. Below that rank, Gurkhas are entitled to one accompanied tour of around three years.

The Government are well aware of the problems these restrictions cause, although there are important contemporary factors that influence our current practice. These relate to the impact that any change in policy could have on the deployability and effectiveness of the brigade as well the need to maintain links between Gurkhas and their home country. These links were of importance to the Nepalese Government when they agreed to the transfer of Gurkha units into the British Army in 1947 and remain so

to this day. Our bilateral relations with Nepal are highly valued and we take our obligations to the Nepalese Government very seriously.

It is important, therefore, that we strike the right balance between the aspirations and needs of our Gurkha soldiers and the effectiveness and employability of the brigade as a whole. With this in mind we have asked officials in consultation with the Brigade of Gurkhas, to undertake a thorough review of Gurkha married accompanied service arrangements. In so doing we will, of course, consult the Nepalese Government. We will also consider the implications for the garrison estate in Brunei, given that at any one time nearly a quarter of the brigade is stationed there, and address the education and welfare implications of any increase in the number of Gurkha families based in the UK.<sup>7</sup>

The MOD's recommendations for changing the married accompanied service allowance and subsequent entitlements to Service families Accommodation in order to bring the Gurkhas into line with their counterparts in the Army were subsequently published in August 2005.

Under the new arrangements, which came into effect on 1 April 2006, all married Gurkha personnel with three years service are entitled to married accompanied service. In addition, all ranks of the Brigade of Gurkhas who are eligible are entitled to Service Families Accommodation or Substitute Service Families Accommodation and are expected to pay the normal accommodation charges, on the same basis as other qualifying personnel in the British Army. The same arrangements also apply to Gurkha personnel serving in either Brunei or Nepal.

#### **4 The 2007 Review Recommendations**

On 11 January 2005 the then Secretary of State for Defence, Geoff Hoon, announced that a complete review of Gurkha Terms and Conditions of Service would be undertaken, including a review of pay and pensions. In a Written Ministerial Statement he outlined:

As the House will be aware, our policy is to keep the Brigade of Gurkhas' terms and conditions of service under review, to ensure that they are fair and that any differences from the wider Army are reasonable and justifiable. We are also aware of our historic relationship and understandings with the Governments of Nepal and India, which have enabled Gurkhas to serve in the British Army since 1947.

Gurkha soldiers have spent an increasing proportion of their time in UK since withdrawal from Hong Kong in 1997, and successive amendments to the conditions under which they serve have recognised their changing role, status and personal aspirations. The most recent of these was their inclusion in the new HM forces immigration rule, which took effect from 25 October 2004. This has potentially far-reaching effects on the way we recruit and manage the brigade and care for its serving members, families and veterans. In addition, some public criticism and unease continues about the remaining differences between Gurkhas' terms and conditions and those of the wider Army. We are, therefore, anxious to ensure that such differences are absolutely justifiable as well as fully understood and accepted by our Gurkha soldiers and want to ensure that the MOD's position, both legally and morally, is beyond reproach.

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<sup>7</sup> HL Deb 4 June 2003, c157-8WA

I have therefore directed that the MOD should carry out a wide-ranging review of all Gurkha terms and conditions of service. This will be an extensive piece of work and we will endeavour to take account of the views of all those with a legitimate interest. This new review will build on earlier findings, including work to date on the review of Gurkha married accompanied service (MAS), but its scope will be much wider and it is aiming to complete in late autumn 2005.

I am aware that the outcome of the view of Gurkha MAS review has been keenly anticipated by the Gurkhas themselves and by those concerned about Gurkha welfare. I regret that this work is not yet finally completed but I expect to receive an interim report on the new study, which will enable me to make an announcement on Gurkha MAS, in early summer 2005.<sup>8</sup>

Due to the complexity of the issues involved in the review, the MOD's conclusions and recommendations were not published in the autumn of 2005 as originally anticipated. In March 2007 the then Parliamentary Under Secretary of State for Defence, Derek Twigg, made the following written ministerial statement:

I am pleased to be able to announce to the House today the outcome of a wide-ranging review of Gurkha Terms and Conditions of Service, which was announced by the then Secretary of State for Defence in January 2005. This has been a very comprehensive review and as a consequence it has taken longer than was originally anticipated.

As the House is aware, it has been the policy of successive British Governments to ensure that the terms and conditions under which Gurkhas serve in the British Army remain fair and reflect the needs of Gurkha soldiers and their families. The Gurkhas became a UK-based Brigade on 1 July 1997 and the time is now right for their terms and conditions of service to be revised fully to reflect their role and status in the 21st century.

As a result of this review I am pleased to announce that, with certain exceptions designed to satisfy the Government of Nepal, all the remaining differences between Gurkhas' terms and conditions of service and those of their British counterparts are to be eliminated. I am making arrangements necessary to ensure that members of the British Brigade of Gurkhas retain their distinctive identity and ethos as Nepalese citizens serving in their own units within the British Army.

The measures necessary to implement the new terms and conditions of service will begin to take effect from April 2007. In the particular case of pensions, we propose to give serving Gurkhas the opportunity to transfer from their current Gurkha pension scheme to one of the two armed forces pension schemes (AFPS), from a planned member transfer date of 1 October 2007. Retired Gurkhas who left service on or after 1 July 1997 will also be given the opportunity to access AFPS benefits.

This is good news, both for serving or recently retired Gurkhas and their families and for the British Army. The move to new and fairer terms and conditions of service will hopefully provide the basis for the foreseeable future of Gurkha service in the British Army, which is only made possible by the long-standing and friendly relations between the Governments and peoples of the United Kingdom and Nepal.

The review did not include consideration of the situation of Gurkha veterans who retired before 1 July 1997, for the reasons which my predecessor made clear to the

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<sup>8</sup> HC Deb 11 January 2005, c9-10WS

House last summer. We will continue to respond to veterans' grievances with a view to resolving any misunderstandings which may have arisen.

A copy of the report of the review of Gurkha terms and conditions of service, which has been redacted so as not to disclose privileged legal advice, will be made available in the Library of the House.

A redacted copy of that report is available in the House of Commons Library as DEP 07/776.

The main recommendations of that report are as follows:

### **Nationality**

- Gurkhas will continue to be selected and recruited in Nepal, and remain as Nepalese citizens throughout their service.
- Service will be in formed units consisting entirely of Gurkhas, except for British officers and a few specialists, and units will be part of the Brigade of Gurkhas (BG). Only Gurkhas will be recruited to these units.
- The practice of compulsory discharge in Nepal should be discontinued. At the end of their service, Gurkhas will be offered the choice of discharge in Nepal or in UK.

### **Wider Employment & Transfer**

- Gurkha soldiers will be eligible to apply for transfer to Regiments and Corps outside the BG, on the same terms as the rest of the Army, having served a minimum period of 5 years service in BG.

### **Recruitment and Selection**

- Recruiting and selection of Gurkhas will remain in Nepal and will be owned and managed by the Army Recruitment and Training Division (ARTD).
- Recruiting and selection standards for Gurkhas will be aligned with British selection arrangements, in due course, following further study. Part of that study will examine the feasibility of Nepalese women being recruited into the Brigade of Gurkhas non-infantry units.

### **Training**

- The current Gurkha training regime will be retained for the time being while ARTD lead a programme aimed at alignment with the UK training regime.
- ARTD will also commence a programme to develop an acceptable training regime for Gurkha women within the current British training structure for women.

### **Pay and Allowances**

- Gurkha pay will adopt full UK rates. The same applies to commissioned Gurkhas who will be assimilated on to the normal Army officer pay scales.
- Re-employed Retired Gurkha Officers are to be assimilated on to FTRS Home Commitment pay scales.

## **Leave of Absence**

- Gurkhas are to be provided with the same leave arrangements as for British soldiers. Similar alignment will include all types of special leave such as parental leave, career breaks, and carers' leave. Consequentially, the practice of Nepal Long Leave (NLL) will cease.
- Gurkhas with less than 3 years service will have the option of having the "Get You Home (Early Years) (Overseas Allowance) – GYH(EY)(OA)" package, which assists young soldiers from overseas to maintain contact with their overseas families.

## **Pensions**

- Gurkhas recruited after 1 December 2006 will join the Armed Forces Pension Scheme 2005 (AFPS 05).
- Gurkhas serving on 1 October 2007 who joined on or after 6 April 2005 but before 6 April 2006 (i.e. the 2006 intake) will be offered the option to transfer from the Gurkha Pension Scheme (GPS) to AFPS 05.
- Gurkhas serving on 1 October 2007 who were serving before 6 April 2005 will be offered the option to transfer from GPS to either AFPS 75 or AFPS 05.
- Gurkhas who retired between 1 July 1997 and 5 April 2006 will be offered the option to transfer to AFPS 75 or remain in the GPS. Those who retired after 6 April 2006, but before 1 October 2007, will be offered the options to transfer to AFPS 75 or AFPS 05 or remain in the GPS.
- Gurkhas transferring from GPS to AFPS are to be given actuarial value for any service before 1 July 1997, but service given on or after 1 July 1997 will be transferred on a year-for-year basis.

## **Welfare and Education**

- Gurkha children will have the same educational opportunities as their British counterparts.
- Additional welfare support staff will be available to the Army Welfare Service to cope with the additional family welfare issues relating to the introduction of Gurkha MAS.
- Aftercare provision for Gurkhas and their dependants will be the same as that available for British personnel.
- Present establishment of Religious teachers (RTs) – often referred to as Pandits – will be increased from 3 to 9.
- The present special cultural support provided within Gurkha units will continue.
- Headquarters Brigade of Gurkhas secretariat support will be reinforced to become the focus for the provision of Benevolence and Welfare Support to Gurkha ex-servicemen in UK.

The review also recommended that while some elements of the TPA are outdated, the agreement should not be revoked and should continue to form the basis for Gurkha service

in the British Army. However, the review concluded that a new Memorandum of Understanding between the UK and Nepalese Governments should be agreed so as to provide for the new arrangements for terms and conditions and in doing so build upon the principles of the original TPA.

Despite the wide-ranging recommendations of the review, the pension and citizenship rights of those Gurkha veterans who retired prior to 1997 remained an outstanding concern. These issues and the recent changes that have been announced are addressed in greater detail in Library Standard Note, [SN/HA/4399](#) and [SN/BT/4375](#).