



Ministry
of Defence

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Mr Prem Gaha Magar
Non-Resident Nepali Association
49 Victoria Road
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11 May 2021

Dear Mr Magar

Thank you for your letter dated 6 April 2021 to the Prime Minister, in which raised issues relating to Gurkha veterans. Your email has been passed to Army Policy and Secretariat and I have been asked to respond. I will therefore address each of the matters you raise in turn.

Technical Committee

I can confirm that the Technical Committee process has been completed. During that process various historic issues were raised, and Her Majesty's Government explained our position on them. We know that there was some unhappiness with the responses, however the concerns raised were respectfully heard and responded to. On 7 March 2019, Mr Damian Paterson, then head of Army Secretariat, sent a letter to the Technical Committee members, via the Embassy of Nepal, which concluded the Technical Committee considerations.

It may help if I provide some background on this matter; Mr Mark Lancaster as then Minister for the Armed Forces met with Nepali Ministers in 2018 and 2019 and discussed the issues some veterans were campaigning over. In his March 2019 announcement relating to the Indian 7th Central Pay Commission changes, Mr Lancaster stated that the implementation for the Gurkha Pension Scheme reflected the outcome of dialogue with Gurkha veterans and the Government of Nepal. As you reference in your letter, this matter was also discussed between the Prime Ministers of the UK and Nepal in June 2019 when the then Prime Minister Mrs May emphasised that pension arrangements raised under the Technical Committee would not be re-opened.

Dialogue with the Nepal Government

I can assure you that the UK Ambassador in Nepal is in contact with the Minister of Foreign Affairs on a regular basis and should the Nepal government wish to communicate on the matter of Gurkha veteran grievances, they may do so.

Immigration arrangements

As you may be aware, special immigration arrangements already exist for Gurkha veterans wishing to settle in the UK. After the introduction of Her Majesty's Forces Immigration Rules in October 2004, serving Gurkhas with more than four years' service (or who met the rules for medical discharge) had two years from date of discharge to apply to settle in the UK. The rules also

included those Gurkhas discharged between 1 July 1997 and October 2004 and they had two years from October 2004 to make an application to settle.

From May 2009, Gurkhas who served for four years or more between 1 January 1948 and 30 June 1997 were also allowed to settle in the UK. These arrangements mean the habitual residence test is not required for these veterans and provides immediate access to benefits on arrival in the UK. To help entitled Gurkhas and their dependants there is a Settlement Office in Kathmandu to ensure individuals make an informed choice about moving to the UK.

Investment in Nepal

The first payment of £2.5m was made in September 2019 to the Gurkha Welfare Trust (GWT). They are receiving the money as part of a Grant-in-Aid for the provision of medical services to Gurkha veterans in receipt of a military pension and their dependents. The GWT shares details of the proposed expenditure with Army Headquarters prior to the start of each financial year, with the focus on the provision of free primary care (medical resources and staff costs), subsidised secondary care including an increase in the threshold of the bands at which personal financial contributions are required, and investment in the medical board budget. A summary of actual expenditure is provided annually to Army Headquarters on completion of the audit of the GWT accounts.

Gurkha pension bank transfer

I can advise you that the funding of Gurkha pensions follows standard British Army accounting procedures through a unit account called an imprest. The staff in British Gurkhas Nepal (BGN) each month initiate a funding request based on their cash requirement, which is mainly for pensions. The MOD then directly transfers the requested amount in sterling to BGN's UK sterling account held with Standard Chartered Bank in Kathmandu. There are no Indian banks involved in the process and the Nepali economy benefits by around £120m a year from these sterling payments.

I hope this is helpful

Yours sincerely,

E Mitchell
Army Policy and Secretariat