



Ministry of Defence

Ministry of Defence
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Telephone : +44 (0)20 721 89000

Our Reference: FOI2015/06388

[REDACTED]

[REDACTED]

13 August 2015

Dear [REDACTED],

Thank you for your letter to the Ministry of Defence (MOD) dated 15 July in which you requested the following information:

3. Please provide under the FOIA 2000 a copy of the MOD authority that gave you permission to reduce the service factor for all disability pensioners by 1% across the board.
4. Please provide under the FOIA 2000 a copy of the Ministerial approval for this policy. If there was no Ministerial approval, please provide a copy of any correspondence that would show how this decision was reached.

I am treating your correspondence as a request for information under the Freedom of Information Act (FOI) 2000. Following a search of our records, I can confirm that the MOD does hold information relating to your questions.

Under Section 21 of the FOI Act the MOD is not obliged to supply information that is reasonably accessible to the applicant, by other means. In the case of your first request the information requested is contained within the document 'Pension Policy Instruction Pensions Offer to Transfer to serving and retired Gurkhas' which has been previously released by the Government, a copy of which has been published online by the Gurkhas Welfare Inquiry of which you have been involved. No Ministerial approval of this document was sought as this level of authority was not required. The document can be viewed here:

<https://gurkhainquiry.files.wordpress.com/2014/03/14-pensions-policy-instruction.pdf>

Pages 47 to 58 (part 2) and Annex C of the Pensions Policy Instruction refers.

Further information is also available in the Army Pensions Warrant 1977 (APW 77), part 16. This can be viewed here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207837/ArmyPensionWarrantAmdt40Change4.pdf

Please note - In relation to APW 77, the previous version of this document (Amdt 40, Change 3) that came into force at the end of February 2008 includes the same content for part 16 as the version in the link above, but is not available to view on gov.uk. This is important because the closing date for the applications to transfer was 29 February 2008. The version of the APW 77 (change 3) that was extant at the time of the Gurkha Offer To Transfer is the same as the later one (change 4). APW 77 is the legal authority governing the offer to transfer for retired members with a disability pension.

With regard to your request for "a copy of the Ministerial approval for this policy. If there was no Ministerial approval, please provide a copy of any correspondence that would show how this decision was reached". Please find attached at annex A to this letter all correspondence that the Department holds on this subject. In accordance with Section 40 of the FOI Act the names and contact details of Government personnel below the Senior Civil Service have been removed as this constitutes personal information which is exempt from publication under FOI.

Please note - Only draft v3 and draft v4 of the tables of service credits for disability pensioners are held; the earlier versions referred to in the email correspondence are not held by MOD.

I hope that this information will be helpful to you.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, 1st Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.org.uk>.

Yours sincerely,


Defence People Secretariat

Annex A – Email correspondence

From: [REDACTED]
Sent: 07 December 2007 09:18
To: [REDACTED]
Cc: [REDACTED]
Subject: service credits for ill-health letters

Dear All,

[REDACTED] has asked me to send you the following:

Please see the service credit tables attached, compiled by GAD following my earlier email. I have agreed with [REDACTED] that we should use version 4. I should be grateful therefore if someone [REDACTED] have you kindly agreed to do this?) would rework the examples in the ill-health letters with the service credits from table 4. We also need to show the table as an annex to the letter. **But please remember to remove the cost column.**

There is a difficult balance to strike here between fairness to the individuals to ensure that they are offered broadly equivalent value in AFPS, presentational arguments about why these credits are different from those for serving/retired Gurkhas and administrative simplicity (the 8 rates at Rfn/LCorp level in version 2 was just too much).

GAD is now turning his attention to the NOK figures. He's looking at the cases on an individual basis and has, at present, all he needs. But he may be back early next week as he goes deeper in.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

From: [REDACTED]
Sent: 06 December 2007 14:55
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Disability Credits - Version 2

[REDACTED]
As discussed, I have attached 2 more versions for you to consider.

"Draft 3" halves the number of different credits required for the rank of Rfn/L.Corp, reducing from 8 credits (7 groups plus one outlier) to 4 credits (3 groups plus one outlier) for this rank. You will see we are now

differentiating by disability level, rather than service. Credits at higher ranks maintain consistency with those credits used for normal health and those shown in Draft 2.

"Draft 4" uses the same credits as in Draft 3 for ranks up to Sgt, but ranks above that are 1% lower than the normal health credits making some allowance for the relative higher value of a SIP with its immediate index linking.

Happy to discuss.

(Not sure if this will get to [REDACTED] – please can you forward on.)

[REDACTED]

From: [REDACTED]
Sent: 04 December 2007 13:25
To: [REDACTED]
Cc: [REDACTED]
Subject: Disability Credits - Version 2

Thanks for this [REDACTED]

I have considered our approach, chatting with colleagues here. On balance, we favour the slightly more generous approach for most ranks described in version 2 of the pension credits for this group. The presentational benefit of offering the same pension credit for this group as for the serving and retired groups in normal health is worth having. But I wd want to change this approach if it costs too much to deliver something simpler at the lowest ranks.

At the Corporal level, there is a need for an additional rate to cover the one outlier, an individual with a higher level of disability than the rest of the group. At the Rfn/L Corp level I would prefer fewer categories of pension credits from an implementation point of view. This gives a greater chance that we can programme the changes into the system, as opposed to dealing with this group manually. How about 3 groups at this level, incl the extreme outlier, brigading the levels above 14 years' service?

I want to minimise cost. If it comes to it, I wd prefer to move every rank down a point or two, closer to the correct levels, if that's what it takes to deliver a sensible structure for us at the lowest levels.

May we see another version please after which I shall agree our proposed approach.

Then we have death to look at, of course.

[REDACTED]

From: [REDACTED]
Sent: 03 December 2007 16:21
To: [REDACTED]
Cc: [REDACTED]
Subject: Disability Credits - Version 2

[REDACTED]

I have attached a 2nd version of the disability service credits that breaks down the Rifleman / Lance Corporal group into more targeted subgroups. You will see that this is now more detailed than the 1st version, but the cost of providing these credits for the rank of Rfn/L Corp falls away to close to zero. Let me know what you think.

Note that the costs shown just relate to pre 97 service and allow for cross subsidy within the group assuming that all would transfer. Therefore, the cost of the attached service credits has the potential to be higher if

only those who are being given a generous credit choose to transfer. However, given the size of the costs and that all of the group are likely to transfer, this should not be much of a risk. Note that the cost of providing year for year for post 97 would be in addition to the costs shown.

I do not intend to show the costs in the final table, once produced.



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Retired Gurkha Offer to Transfer
Pre 1 July 1997 Service Credits for Disability Pensioners

The table below shows the percentage to be applied to pre 1 July 1997 GPS service when calculating the amount of pre 1 July 1997 invaliding benefits available on transfer to AFPS 75. Post 1 July 1997 GPS service converts at 100% or year-for-year. The percentages should be applied to all reckonable pre 1 July 1997 GPS service, ie including any pre 18/21 service that is reckonable in GPS.

Rank		Pre 1 July 1997 Service Credit	Cost of Smoothing (£K)
Rfn & LCorp	If disability less than 40%	38%	40
	If disability either 40% or 50%	40%	28
	If disability at least 60%	42% (or 53% if less than 10 years service)	15
Corp		30% (or 34% if disability at least 60%)	13
Sgt		29%	3
Staff Sgt		27%	33
WO2		27%	11
WO1		26%	8
Lt		27%	16
Capt		28%	39
Maj		23%	15

Total cost of smoothed credits = £221K

The figures in the table above are for illustration and further checking is required. Finalised service credits will be provided by GAD in due course.

DRAFT 4

Retired Gurkha Offer to Transfer
Pre 1 July 1997 Service Credits for Disability Pensioners

The table below shows the percentage to be applied to pre 1 July 1997 GPS service when calculating the amount of pre 1 July 1997 invaliding benefits available on transfer to AFPS 75. Post 1 July 1997 GPS service converts at 100% or year-for-year. The percentages should be applied to all reckonable pre 1 July 1997 GPS service, ie including any pre 18/21 service that is reckonable in GPS.

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Corp		30% (or 34% if disability at least 60%)	13
Sgt		29%	3
Staff Sgt		26%	11
WO2		26%	8
WO1		25%	4
Lt		26%	11
Capt		27%	20
Maj		22%	1

Total cost of smoothed credits = £154K

The figures in the table above are for illustration and further checking is required. Finalised service credits will be provided by GAD in due course.

Draft 4: 6.12.07