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CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE
SUB-COMMITTEE ON THE SOUTH ATLANTIC AND
THE FALKLAND ISLANDS

FALKLAND ISLANDS: REMUNERATION FOR SERVICE
PERSONNEL AND THEIR DEPENDANTS

Memorandum by the Secretary of State for Defence

1. At OD(SA) on 1st June (OD(SA)82 48th Meeting, Item 7) I was invited to consider the conditions for the granting of gratuities to the dependants of Servicemen killed in the Falkland Islands operations or in the Task Force. There was also some discussion of whether a gratuity might be considered for service in the Falkland Islands.

Gratuities for Dependants

2. The Armed Forces Pension Scheme has been long established and rates of pension are regularly updated. It provides not only for pensions but also for lump sum grants, both for Servicemen who retire or are invalided from the Service and also for their widows and children if they die in the Service.

3. If death is directly attributable to their service - whether in war, limited operations or normal peacetime conditions - the grants and pensions are paid at an enhanced rate, without any requirement for a minimum qualifying period of service; and a Department of Health and Social Security war widow's pension is also paid.

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4. The Service pension is approximately 90% of the pension that the husband would have received had he served to the end of a full career, with an adjustment to take account of the better DHSS widow's pension that is paid when the husband's death is attributable to his Service: that compares with the Service widow's pension of half the husband's entitlement at the date of death that is normally paid. Both the Service widow's pension and the DHSS war widow's pension are index linked from the date of award, and the DHSS pension is tax free.

5. The death grant is equal to twice the annual rate of pension that the husband would have been awarded had he served to the end of a full career; or, if better, three times the annual rate of invaliding pension that could have been awarded to him at the date of his death. (The latter alternative is in most cases the more favourable if the husband has served for 20 years or more.) Where death is attributable to Service, an additional gratuity is paid. Both death grant and gratuity are tax free. In the case of the single Serviceman, the death grant - but not the gratuity - is paid to the deceased's estate.

6. I attach a table setting out the rates of death grants and widows' and childrens' pension payable, according to rank; and of the DHSS war widows' pensions payable.

7. Various Service charities which operate rather like friendly societies, such as the Soldiers' Widows' Fund, also make payments, from non-public funds, to the dependants of those who have voluntarily subscribed to them.

8. Different arrangements apply in the case of Gurkhas. These reflect the economic circumstances in Nepal and accord with the terms of a Tri-Partite Agreement between the UK, India and Nepal under which the pay and pensions of Gurkhas are related to those paid by the Indian Government.

CONFIDENTIALA Gratuity for Servicemen

9. Colleagues raised the possibility of adding some kind of gratuity in respect of service in the Falklands to the pay and allowances of the Servicemen involved. There are a number of issues I should wish to consider before taking a view on such a proposition, including the precedents from earlier campaigns, the relevance of the special Northern Ireland addition to pay, and the adequacy of the military salaries and allowances already in payment to Servicemen generally. I am arranging for these matters to be considered urgently within my Department, and propose to circulate a further paper as soon as I have been able to reach a conclusion on them.

Conclusion

10. I invite my colleagues to note:

- a. the position on gratuities for the dependants of Servicemen killed in the Falkland Islands or with the Task Force; and
- b. that I shall be circulating a further paper on the possibility of paying a special gratuity of some kind for service in Operation CORPORATE.

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17th June 1982

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SERVICE WIDOWS' DEATH GRANTS AND PENSIONS (WHEN DEATH IS ATTRIBUTABLE TO SERVICE)

Husband's Rank	LUMP SUMS PAYABLE TO WIDOW ON DEATH		FORCES FAMILY PENSION †		DHSS WAR PENSION †			
	Death Grant ϕ	Additional Attributable Gratuity ϕ	Widow	Children (per child - max of 4)	Widow under 40 and with no children	Widow over 40 or with children	Children (per child - no max)	
								Min*
Below Cpl	5948	8922	1487	2215	595	463	2005	566
Cpl	7496	11244	1874	2912	750	463	2005	566
Sgt	8260	12390	2065	3256	826	463	2005	566
S/Sgt	9378	14067	2345	3759	938	463	2005	566
WOII	9654	14481	2414	3883	965	463	2005	566
WOI	10618	15927	2655	4317	1062	463	2005	566
Capt & below	11678	17517	2920	4794	1168	463	2005	566
Major	14064	21096	3516	5867	1406	463	2005	566
Lt Col	17518	26277	4380	7422	1752	463	2005	566
Col	20368	30552	5092	8704	2037	463	2005	566
Brig	22068	33102	5517	9469	2207	463	2005	566

* The grant rises above the minimum when the length of service exceeds 18 years, and increases according to length of service thereafter.

ϕ Tax free

† Index linked