



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION (A.I.B.P.A.R.C.)



C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)
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Circular no. 66-23

Date: August 05, 2023

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For circulation among members of the Governing Council, State Secretaries, Special Invitees, Advisors, Affiliates, Constituents of CBPRO and Members.

Dear Comrade,

Sub: Letter to The Chairman, GST Council requesting for exemption of GST from medical insurance premium.

We reproduce hereunder the text of our letter written to The Chairman, GST Council on 4th August, 2023 on the above referred subject.

This is for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar,
General Secretary

Quote:

AIBPARC/MOF-GST/email/23.

Date: August 04, 2023

Smt. Nirmala Sitharaman ji,
Chairman
GST Council
New Delhi

Respected Madam,

Medical Insurance Premium for Senior Citizens - A request to exempt from GST

We wish to introduce ourselves as a Confederation of various organisations of the Bank Pensioners and Retirees at industry level. We are a registered body championing the cause of Bank Pensioners and Retirees and striving for redressal of their grievances.

The Department of Financial Services, Ministry of Finance, while conveying guidance about utilisation of Staff Welfare Fund vide its letter dated 24.02.2012 advised Indian Banks' Association, Mumbai to evolve a medical insurance scheme both for serving and retired employees of the banks. IBA initiated discussion with the serving



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employees unions and officers associations without involving the Industry Level Organisations of Bank Pensioners and Retirees. As a result of protracted negotiations, a Scheme was finalised to provide medical insurance cover through Group Policies separately for serving employees and for retired employees at a common annual premium of Rs. 7499/- in the year 2015. While agreeing to bear the insurance premium for the serving employees and officers, it was decided that those retired employees who wanted to join the scheme, can do so by paying the premium amount. Such a decision was at variance with the advice of the Government and it was so done without involving the Organisations of the retired employees.

The premium in the first year 2015-16 being Rs. 7499/- turned out to be in the nature of penetrating the new market segment by offering quite good features as the amount of premium has been successively hiked unilaterally every year and for the current year it is Rs. 73,000/-. The retired employees gradually found the premium amount prohibitive and most of the people have opted out of the scheme. As against about 7,50,000 retired employees, presently about 150,000 are covered under the scheme. It is a result of steep hike in the amount of premium.

Our request to Government to advise the banks to bear the premium is yet to find favour.

Under such circumstances, the GST @18 % on the premium amount has also been adding to woes of our members as the tax itself comes to more than Rs. 10,000/-. Moreover, in certain cases, we are also subjected to payment of GST at the time of seeking treatment under the policy. At this stage of our life even without the benefit of updation of our pension since inception of the pension scheme wef 01.01.1986, we are suffering the double jeopardy.

We appreciate that the Government of the day has been quite a citizen-friendly one which is evident from its schemes like Toilet Construction, Affordable Housing, Jandhan Bank Accounts, Ayushman Bharat (medical) Scheme for free treatment upto Rs. 5.00 lakhs per annum etc. Our members have given their best to the nation in their prime age and have contributed their bit for the economic and social development of the people of our country and thus being an essential part of the national building ever since the banks were nationalised.

The Hon'ble Prime Minister has been very generously applauding the contribution of bank employees in successful implementation of the ambitious scheme of the Government. We acknowledge such commendations by PM with gratitude. But mere praises at public platforms are not enough to redress our financial grievances. We are in desperate need of financial relief.

We, therefore, earnestly request you good self to grant exemption to the senior citizens from the levy of 18% GST on our Medical Insurance Premium.

It will be a great pay back to our humble contribution towards nation building for 35-40 years. We look forward for a favourable consideration of our genuine request.

With regards,

Yours faithfully,

K V Acharya
President, AIBPARC
& Joint Convener, CBPRO

Suprita Sarkar
General secretary