



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



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Circular no 79-25

Date: September 05, 2025.

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

Dear Comrade,

**Sub: Waiver of GST on Health Insurance Policies for the Senior Citizens and exemption/ reduction of GST on numerous items giving relief to the Common Man and impetuous to Developments.**

We are reproducing here under the text of our letter written on date to The Hon'ble Chairperson GST Council & Hon'ble Union Finance Minister IBA on the above-mentioned subject.

This is for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar  
General Secretary

Encl: As stated

**AIBPARC/Union FM/GST on health insurance/email/2025.**

**Date: September 05, 2025.**

Smt. Nirmla Sitharaman ji,  
Hon'ble Chairperson, GST Council &  
Hon'ble Finance Minister,  
Government of India,  
North Block,  
New Delhi.

**Respected Madam,**

**Sub: Waiver of GST on Health Insurance Policies for the Senior Citizens and exemption/ reduction of GST on numerous items giving relief to the Common Man and impetuous to Developments.**

We very heartily Congratulate and profusely thank Your Good Self as Chairperson of GST Council and as Hon'ble Union Finance Minister, Hon'ble Members of GST Council and Our Government for the most bold initiative in the

**Largest ever GST Revamping exercise giving massive relief to every section of the Society and the necessary impetuous to all developmental activities keeping the Growth of the Economy as the prime objective to achieve the Ambitious Goal of Vikasit Bharat.**



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**Respected Madam,** We have been taking up the issue of exempting the Health Insurance from the ambit of the levy of Goods & Services Tax (GST). Apart from writing to the Hon'ble Chairperson & Union Finance Minister of India, we have been regularly following up the matter with Central Board of Indirect Taxes/GST Council.

We are delighted to learn that our request has been considered favourably and the Health Insurance Cover for the Senior Citizens has been exempted from the levy of 18% GST and brought under zero percent category as decided by the GST Council in its meeting held on 3rd September, 2025 and the revision is scheduled to be implemented from 22nd September, 2025. It is a very sweet Diwali Gift to the Senior Citizens of the country. We wish to reiterate that the Senior Citizens of the Banking Industry with their Unupdated Pension were finding it hard to pay the exorbitant premium compounded by the levy of 18% GST. It makes the kind gesture on your part as the Chairperson of the GST Council, more soothing and valuable to us.

In this connection, we wish to submit the following facts for your kind and sympathetic consideration:

1. The Health Insurance was introduced in Banking Industry during the year 2015 in deference to the advice of the Government to IBA vide DFS letter dated 24.02.2012. The IBA was advised by DFS to evolve a health insurance scheme both for the serving Employees and the Retirees as a part of application of Staff Welfare Fund.
2. The IBA while implementing the Health Insurance Scheme advised the member Banks to bear the Insurance Premium in respect of the Serving Employees and collect the insurance premium from the Retired employees who wished to opt for the scheme. Such an advice was at variance with the advice and intent of the DFS.
3. The premium for an insurance cover of Rs.4.0 lakhs which was Rs.7500/- in 2015-16 has been successively enhanced and even breached Rs.100,000/- with super top up cover during the last year. We have been taking up with the Government and IBA that the premium for retirees should be borne by the Banks as in the case of serving employees. But our request is yet to yield favourable result.
4. It is in this back drop; we make an earnest request to your good self to look into the following aspects of the recommendation of the GST Council in this regard and arrange for clear guidelines for the implementation of levying Zero GST on our Health Insurance cover:
  - i) GST Council has recommended exemption of GST on Health Insurance Policies (including Family Floater Policies and Policies for the Senior Citizens) to make health insurance affordable for the common man.
  - ii) In our case the Health Insurance Premium is paid by Individual Beneficiaries to the Bank every year and bank after collecting the premium amount from individual members makes a consolidated payment to the Insurance Company, alongwith the list of names and other required details being furnished about each individual person opting for the Health Insurance Cover.
  - iii) The Insurance Company has been issuing a consolidated policy to provide health insurance to each individual beneficiary and the spouse. It comes in the form of Family floater. The insurance cards are also issued to the member and spouse separately.
  - iv) The pensioners are the senior citizens and are thus provided the necessary health insurance cover along with their spouse.

It is thus clear that our individual members pay the premium to get the health cover under family floater policy and are the senior citizens. They are thus entitled to the benefit of exemption from GST as recommended by the GST Council.



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We, therefore, humbly request your goodself to arrange to issue suitable guidelines and directions to the concerned authorities to treat our consolidated Health Insurance Policy as one for the individuals who have paid the premium individually and oblige.

We once again express our gratitude for a kind and sympathetic gesture on your part to provide much awaited relief to the Senior Citizens of the country.

With kind regards,

Yours faithfully,

K.V. Acharya.  
President, AIBPARC  
& Jt. Convenor, CBPRO

Suprita Sarkar  
General Secretary