



ALL INDIA BANK OFFICERS' ASSOCIATION

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MIN:RBI:198:2025

07.09.2025.

Smt. Nirmala Sitharaman,
Chairman, GST Council &
Hon'ble Finance Minister,
Ministry of Finance,
Government of India,
NEW DELHI.

By EMAIL/Speed Post.

Respected Madam,

**CONSIDERATION OF EXEMPTION FROM PAYMENT OF GST
ON HEALTH INSURANCE POLICIES BY THE SENIOR CITIZENS
INCLUDED IN THE GROUP HEALTH INSURANCE POLICY
FLOATED BY INDIAN BANKS' ASSOCIATION**

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We beseech your kind intervention and consideration of our submissions to grant exemption to the senior citizens who were part of the banking fraternity.

- The four officers' Organisations together with five Employees' Unions entered into an understanding on 17th May 2015 to provide the health Insurance to the existing workforce as well as retirees in the Banking Industry.
- The serving workforce in State Bank of India as well as the retirees of SBI are not covered in this scheme, as they have the better scheme covered under Staff Welfare measures from time immemorial.
- In the first year of introduction, the banks borne the premium on behalf of the both the groups, but subsequently, few banks paid token amount for the health insurance as subsidy.
- In this process, IBA, till recently, covered the working employees and officers under group Insurance policies, by virtue of the understandings arrived at subsequently.
- In the last wage revision signed on 08.03.2024, the facility of extending coverage under Group Insurance Policy was extended to retirees too, with a condition that the retirees are to bear the cost premium + 18% GST on that premium too.

- It is not out of place to mention that right from 2015 the then United Forum of Bank unions have consistently taken up the issue of waiver of GST on Mediclaim policies.
 - IBA has recently floated the RFP and number of workforce covered are 575166 with active lives 21.39 lives (Excluding SBI). The banks are bearing the premium.
 - It has been also mentioned that the primary members ie retirees covered by the Group **Health Insurance policy are 1,51,668** and the active lives covered are 2,70,060.
2. In the recently concluded GST Council meeting Chaired by you, brought down the slabs from 4 to 2, as part of the GST reforms process. The effective date of implementation is 22.09.2025.
 3. While there is total waiver of GST on individual health polices, there is no indication of the waiver for the Group Medical Insurance Policy.
 4. In view of the foregoing, we earnestly urge upon you to revisit the decision of extending the exemption of Payment of GST on Group Insurance Policy floated for retirees by IBA.

We look forward your prompt consideration of our request, as the elders burnt their youthful days to provide a sound Banking Sector **for the betterment of the Nation as well as the Citizens of our Country.**

Yours respectfully,



**/S.NAGARAJAN/
GENERAL SECRETARY**

REPRODUCED BY KARNATAKA BANK OFFICERS' ORGANISATION (REGD.) MANGALURU-575 003

**Mangaluru
08.09.2025**



**(Suresha Hegde S.)
GENERAL SECRETARY**

ALL INDIA BANK OFFICERS' ASSOCIATION	...	...	...	ZINDABAD
KARNATAKA BANK OFFICERS' ORGANISATION	...	...	...	ZINDABAD
OFFICERS - WORKMEN UNITY	...	...	...	ZINDABAD