



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

Flat No 101, Block C Shivom Residency, M. G. Road Indore- 452001

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6th Conference Slogan- Pension Updation is Right of Bank Retirees

Ref: 2025/0061

Date: 01.08.2025

Shrimati Nirmala Sitharaman
Honorable Finance Minister & Chairperson, GST Council
Government of India, New Delhi

Respected Madam,

Re Request for Reduction in GST on premium payable on Group Health Insurance Policy for senior citizens

As you are aware, GST is charged at the rate of **18 per cent on health insurance premium** . This rate is the second highest slab provided in the GST Rules and this rate is applied on ad valorem basis.

2. Because of the above basis applied to calculate GST amount, there has been multifold increase in the quantum of tax amount in last 5 years . In case of bank retirees, premium on Rs. 4 lakhs health insurance policy was Rs. 28792 and GST thereon was Rs. 5182 in 2019. In 2023-24, GST amount on insurance of Rs. 4 lakhs had gone up to Rs.13927 on premium of Rs.77373. **Tax amount has gone up by 268 per cent within period of 5 pears.**

3. You will kindly agree that the above amount of GST is very high and unaffordable by most of senior citizens.

4. Our organization which represent more than 3 lakhs bank retirees have been representing to your good selves and honorable members of GST Council to consider and approve GST rates to Zero percent bracket for senior citizen on health insurance premium so they can buy insurance policy without financial strain.

5. We are happy to find that our above mentioned request was examined in the meeting of GST Council and the council was kind enough to constitute committee under Chairmanship of


Honorable Deputy Chief Minister, Bihar, Shri Samrat Choudhary to study the issue and submit report for consideration of the council.. We convey our thanks to you and honorable members of GST Council for taking this imitative in this matter for the cause of senior citizens.

6. We shall feel highly grateful and obliged to you if decision on this issue is expedited and favorable decision is taken on it at the earliest. It will not be out of place to mention for your kind information that about **5lakhs bank retirees who happen to be senior citizens would be exercising insurance option in the month of October, 2025** under the scheme floated by Indian Banks' Association. Decision on GST reduction before October, 25 would be great help to bank retirees and other senior citizen and will become big act of welfare.

With Respectful Regards

With Warm Greetings,

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'malas', written over a horizontal line.

(S. C. JAIN)
GENERAL SECRETARY

C.C. to

1. The Honorable Members of GST Council
2. The Secretary, GST Council, New Delhi
3. The Secretary, Department of Financial Services, New Delhi
4. The Chief Executive, Indian Banks' Association (IBA)
5. The Constituents, United Forum of Bank Unions.