



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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Together for A Better Tomorrow"



Ref No. 2026/0231

Date: 06.10.2026

**The Office Bearers / Central Committee Members / State Committee Chiefs
AIBRF**

Dear Sir,

Re: Interim Stay of Hon'ble Kerala High Court on levy/collection of GST on Group Medical Insurance Premium of Bank Retirees – Renewal of Policy for 2026-27

We understand that various banks have started issuing circulars/instructions for renewal of the Group Medical Insurance Policy for retirees for the year 2026-27 under the scheme finalized by the Indian Banks' Association (IBA).

2. GST being collected from retirees despite continuing interim order

We are receiving information that several banks, while communicating the renewal terms for 2026-27, are requiring retirees to pay the insurance premium **along with GST**.

AIBRF is constrained to point out that the interim order passed by the Hon'ble Kerala High Court restraining the levy/collection of GST from bank retirees under the IBA Group Medical Insurance Policy **continues to remain operative**.

The latest order dated **26.09.2026** passed by the Hon'ble Kerala High Court in the pending Writ Appeal makes the position clear. The Court has ordered:

"Prayer for interim relief in the Writ Appeal stating that in the circumstances stated in the appeal memorandum, the High Court be pleased to direct the Respondents 1 to 8 not to levy

GST for the insurance premium paid by the Retirees and Pensioners of commercial Banks under IBA Group Medical Insurance Policy, pending disposal of the above Writ appeal. This Writ Appeal again coming on for orders on 26.09.2026 upon perusing the appeal memorandum, and this court's order dated 17.09.2026, the court on the same day passed the following:

ORDER List on 07/10/2026. Interim order will continue till then.”

The interim relief sought in the Writ Appeal specifically concerns a direction to the Respondents not to levy GST on the insurance premium paid by retirees and pensioners of commercial banks under the IBA Group Medical Insurance Policy pending disposal of the Writ Appeal.

A copy of the order dated 26.09.2026 is enclosed for information and necessary action.

3. Collection of GST by banks requires immediate correction

It is therefore a matter of serious concern that some banks have incorporated GST in the premium payable by retirees for renewal of the policy for 2026-27.

It may also be noted that **GST was not collected from retirees by most banks during the previous policy year in view of the interim order**, and the IBA communication regarding renewal for 2026-27 does not, in our understanding, contain any direction requiring banks to recover GST from retirees contrary to the subsisting interim order.

In these circumstances, collection of GST from retirees while the interim order remains in force appears to be **inconsistent with the protection granted by the Hon’ble High Court** and requires immediate review by the concerned bank managements.

AIBRF considers it necessary that this issue is brought to the notice of the respective bank managements without delay.

4. Action by Affiliates

All our affiliates are requested to take the following immediate action:

(a) Bring the continuing interim order of the Hon’ble Kerala High Court to the notice of the concerned bank management.

(b) Serve the enclosed draft representation on the competent authority of the bank, requesting that **GST should not be recovered from retirees on the premium for renewal of the Group Medical Insurance Policy for 2026-27** so long as the interim order remains operative.

(c) Where the bank has already recovered/collected GST from retirees, demand that the amount so collected be **refunded or appropriately adjusted**, subject to the final outcome of the proceedings and further directions of the Court.

(d) The representation should be submitted **under proper acknowledgment** and, wherever possible, also sent through email to the appropriate authority.

(e) Affiliates are requested to send a copy of the representation submitted and the response, if any, received from the bank management to the Central Office, AIBRF, for placing the position before the Hon'ble Court on the next date of hearing and for taking such further action as may be considered necessary.

5. Need for coordinated action

This is an important matter affecting thousands of bank retirees and family pensioners. Affiliates are therefore requested to take up the matter **promptly and uniformly**, without waiting for the expiry of the renewal period.

AIBRF will continue to pursue the matter before the appropriate authorities and take all necessary steps to protect the interest of bank retirees.

With regards,

Your Sincerely

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

GENERAL SECRETARY

Encl.:

1. Copy of order dated 26.09.2026 of the Hon'ble Kerala High Court.
2. Draft representation to be submitted to Bank Management.

DRAFT LETTER

To

The Managing Director & Chief Executive Officer /
Competent Authority

_____ **Bank**

Dear Sir/Madam,

Re: Renewal of Group Medical Insurance Policy for Retirees for 2026-27 – Request for non-collection of GST in view of continuing interim order of Hon’ble Kerala High Court

We refer to the circular/instructions issued by the Bank regarding renewal of the Group Medical Insurance Policy for retirees for the year **2026-27**.

We understand from the said communication that the premium payable by retirees includes **GST**. We wish to invite your kind attention to the interim order passed by the Hon’ble Kerala High Court in the proceedings concerning levy/collection of GST on the Group Medical Insurance Policy for bank retirees and pensioners under the IBA scheme.

1. Interim order continues to operate

The Hon’ble Kerala High Court, while considering the Writ Appeal, has granted interim protection in the matter of levy/collection of GST on the insurance premium payable by bank retirees and pensioners.

The latest order dated **26.09.2026** specifically records:

“Interim order will continue till then.”

The matter has been listed for further hearing on **07.10.2026**.

Thus, as on date, the interim protection granted by the Hon’ble High Court continues to remain operative and has not been vacated.

A copy of the order dated 26.09.2026 is enclosed for your ready reference.

2. Request not to recover GST from retirees

In view of the continuing interim order of the Hon'ble High Court, we request the Bank to immediately review the provision in its renewal communication requiring retirees to pay GST along with the insurance premium.

It may kindly be appreciated that the Group Medical Insurance Policy is a welfare measure for retired employees who are already required to bear substantial medical and insurance costs. The additional burden of GST is particularly onerous for senior citizens and pensioners.

We therefore request the Bank to:

1. **Withdraw the requirement for payment/recovery of GST from retirees** on the premium for the 2026-27 policy, so long as the interim order of the Hon'ble Kerala High Court remains in force;
2. Issue appropriate revised instructions to all concerned offices/branches, wherever necessary, so that GST is not recovered from retiree's contrary to the subsisting interim order;
3. In cases where GST has already been collected from retirees, **arrange for refund or appropriate adjustment of the amount so collected**, subject to the final orders/directions of the Hon'ble Court; and
4. Inform the retirees accordingly and ensure that the renewal process is completed without requiring payment of GST during the subsistence of the interim protection.

3. Request for urgent action

We request the Bank to treat the matter as **urgent**, particularly because the renewal process for the 2026-27 policy is already underway.

The interim order of the Hon'ble High Court is binding and continues to remain operative until modified, vacated or otherwise dealt with by the Court. We therefore trust that the Bank will take immediate corrective action and ensure that no retiree is required to bear GST contrary to the protection available under the Court's order.

We request you to kindly communicate the action taken to us at the earliest.

Yours faithfully,

General Secretary / President

Bank Retirees' Association

Date: _____

Place: _____

Encl.: Copy of order dated 26.09.2026 passed by the Hon'ble Kerala High Court.

