

CO:HCM:IRP:2025-26:309

16th January 2026

All Branches & Offices

DEDUCTION OF GST AMOUNT ON RETIREES' GHIS PREMIUM
(Policy Period 01.11.2025 to 31.10.2026)

Attention is invited to staff circular Letter No-CO:HCM:IRP:2025-26:221 dated 29.10.2025 wherein it was informed that collection of GST on the IBA's Group Health Insurance Policy would be subject to the final outcome of Writ Petition no. 38757 of 2025.

In view of the pendency of the said writ Petition, the premium amount was initially deducted without GST and remitted to Insurance company for enrolment of Retirees under GHIS Policy 2025-26.

In pursuance of subsequent development in the matter, NICL has further informed vide its mail dated 09.01.2026 regarding following judgement from the Honourable Kerala High Court on subject matter:

"The Court has dismissed the writ petitions, upholding that the GST exemption applies only to individual polices and not to group health insurance policies."

Accordingly, National Insurance Company Ltd. (NICL) has requested to remit the applicable GST amount of 18% on applicable Premium Rates on Retirees' Policies immediately. Hence all retirees of the Bank who have successfully opted for IBA Group Health Medical Insurance policy 2025-26 are hereby requested to maintain sufficient balance in their account to enable debit of the applicable GST component at the rate of 18% on premium amount (Base + Top-up) including add-on premium, if any.

ALL RETIREES ARE HEREBY REQUESTED TO ENSURE THE FOLLOWINGS:



1. Non-availability of sufficient balance, posting restrictions, hold in account, non-updation of KYC, or any failure in debit due to the reasons attributable to Retirees, shall lead to short payment of the premium and may impact insurance coverage for the policy year 2025-26 including discontinuation of policy, reduction in policy period etc.

CENTRAL OFFICE: HUMAN CAPITAL MANAGEMENT - INDUSTRIAL RELATION & POLICY DEPARTMENT
केन्द्रीय कार्यालय : मानव सम्पदा प्रबंधन – औद्योगिक संबंध एवं नीति विभाग

2. The Bank shall not be responsible for non-availability of benefits under the Medical Insurance Policy due to non-payment of GST.
3. All other terms and conditions of earlier Staff Circulars shall remain unchanged.

All concerned retirees are therefore advised to ensure that adequate balance is maintained in their account well-before schedule date of deduction i.e. 20.01.2026.

Accordingly, all Branches and Offices are hereby instructed to bring the above information under notice to all Retirees under their jurisdiction and further inform all the concerned retirees to keep the sufficient Balance in their Account.


(KUSHAL PAL)
GENERAL MANAGER-HCM


HUMAN CAPITAL MANAGEMENT - INDUSTRIAL RELATIONS & POLICY DEPARTMENT
मानव पूंजी प्रबंधन - औद्योगिक संबंध एवं नीति विभाग

CO: HCM: IRP:2025-26: 221

29th October 2025

ALL BRANCHES & OFFICES

TREATMENT OF GST ON RETIREES' GHIS PREMIUM

Attention is invited to Staff Circular No.1794 dated 22.09.2025 vide which details of premium for renewal of IBA's Group Health Insurance Policy for Retired Officers and Workmen Employees for policy year 2025-26 was conveyed. it was, *inter alia*, informed that the amount of premium is subject to deduction of GST at applicable rate.

Reference is also drawn to Staff Circular letter No. 212 dated 24.10.2025 wherein it was informed that considering the interim order passed by the Hon'ble Kerala High Court in WP. No. 38757 of 2025, schedule for deduction of premium stands postponed to 29/30th of October 2025.

In pursuance of the further instruction issued by the National Insurance Co. Ltd. vide its mail dated 28.10.2025 to remit the premium latest by 30.10.2025 in accordance with the interim orders passed by the Hon'ble Court, it has been decided to collect premium from respective Retirees Accounts excluding GST component.

Accordingly, all Branches and Offices are hereby instructed to bring the above information under notice to all Retirees under their jurisdiction and further inform all the Retirees that **the collection of GST shall strictly be dealt in accordance with the final order on the subject matter.**



(AVINASH KUMAR)
DY. GENERAL MANAGER-HCM



Copy to: All Retirees.