



FEDERATION OF SBI PENSIONERS' ASSOCIATIONS

Regn. No. S/17025 of 1986 Under Societies Registration Act 1860 (Delhi)

ADMINISTRATIVE OFFICE, BENGALURU

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(M) 9848525214

(All letters to be addressed to the General Secretary)

G.D. NADAF
General Secretary
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Circular No.18/2025

23rd December 2025

To ALL AFFILIATES

EXEMPTION OF GST ON HEALTH INSURANCE PREMIUM PAYABLE BY THE SENIOR CITIZENS OF THE BANKING INDUSTRY UNDER FAMILY FLOATER SCHEME

We reproduce hereunder a submission made to the Hon'ble Finance Minister who is also Chairperson of GST Council on exemption of GST on Health Insurance policies of pensioners under family floater scheme of Banks.

We are awaiting for positive response from the GST Council.

Yours sincerely,

G.D.NADAF
General Secretary



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Ref.No.FSBIPA/39/2025

Date: 23-12-2025

Smt. Nirmala Sitharaman Ji,
Hon'ble Union Finance Minister &
The Chairperson, GST Council,
Government of India,
North Block, New Delhi

Hon'ble Madam,

EXEMPTION OF GST ON HEALTH INSURANCE PREMIUM PAYABLE BY THE SENIOR CITIZENS OF THE BANKING INDUSTRY UNDER FAMILY FLOATER SCHEME

We, the Federation of SBI Pensioners' Associations, representing nearly 2 lakh Pensioners and Family Pensioners of State Bank of India, modestly appeal to your goodself for exemption of GST on premium paid by the Pensioners/Retirees/Family Pensioners of the banking industry towards the Family Floater Group Insurance Scheme.

2. In this connection, we respectfully submit for favour of your kind consideration as under:

- We are immensely happy to note your sympathetic approach towards exemption of GST to individuals and senior citizens opting for health insurance.
- Pensioners, Retirees and Family Pensioners of Nationalised Banks including State Bank of India are provided with Health Insurance Plan covered under Family Floater Scheme.
- There are two Family Floater Schemes introduced and in operation for Pensioners, Retirees & Family Pensioners of Nationalised Banks and State Bank of India as under:
 - i. The family floater scheme agreed between Indian Banks' Association and the identified Insurance Company is applicable to Pensioners, Retirees and Family Pensioners of nationalised banks; and

ii. The family floater scheme agreed between State Bank of India and the identified Insurance Company is applicable to Pensioners, Retirees and Family Pensioners of State Bank of India.

- The above family floater schemes are just agreed between Indian Banks Association or State Bank of India with the identified Insurance Company only as representative body of Pensioners/Retirees/Family Pensioners and the premium for the policy is being borne by the individual Pensioner/Retiree/Family Pensioner.
- It will not be out of context to mention here that the Pensioner or Retiree or Family Pensioner deals only with the Insurance Company as an individual policy holder, after paying the premium as agreed under the contract between the Indian Banks Association or State Bank of India with the identified insurance company.
- Further, the policy holder gets the Income Tax Exemption under Section 80(D) towards the base premium paid by him/her, under the Old Tax Regime.

3. As mentioned earlier, we were very happy to note that, under the GST reforms, the premium paid by the individuals are exempted from GST. The senior citizens and super senior citizens of the banking industry, who have given their blood and sweat for implementation of core initiatives of Government such as demonetization, opening of Jan Dhan Accounts, etc., are shocked and pained to observe the denial of exemption of GST on Health Insurance under Family Floater Scheme, to which the premium is paid the by individual Pensioner/Retiree/Family Pensioner.

4. In view of the foregoing submissions under para-2 above, we have unstinted faith and hopes on your goodself and the pro-senior citizen Government that the exemption of GST on Health Insurance under Family Floater Scheme, introduced and in operation for Bank Pensioners, Retirees and Family Pensioners, will soon become a reality.

5. **We humbly request you to kindly initiate necessary steps, not only as the Hon'ble Minister of Finance of the Country but also as the Chairperson, GST Council for EXEMPTION OF GST ON HEALTH INSURANCE PREMIUM PAYABLE BY THE SENIOR CITIZENS OF THE BANKING INDUSTRY UNDER FAMILY FLOATER SCHEME, to which act of kindness the Pensioners, Retirees and Family Pensioners of the banking industry will ever be indebted to your kindness.**

With Best Regards,
Your faithfully,



(G.D. NADAF)
GENERAL SECRETARY