



# Sanchar Nigam Pensioners' Welfare Association

Reg. No: SOCIETY/WEST/2021/8902564

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**SNPWA/ CHQ/ Hon MOF/ 3/25. Dated 18th NOV, 25**

**To**

**Smt. Nirmala Sitharaman**  
**Hon'ble Union Minister of Finance**  
**Government of India**  
**New Delhi**

**Sub: Request for GST Exemption on Group Health Insurance Schemes for Senior Citizens**

**Respected Madam,**

We, on behalf of various pensioners' and senior citizens' associations across the country, respectfully submit for your kind consideration the urgent need to exempt Group Health Insurance Schemes promoted by \*non-corporate voluntary organisations and pensioners' associations\* from the ambit of GST.

At present, while *individual health insurance policies*— including those availed by younger citizens — are exempted from GST, the *group health insurance schemes specially designed for senior citizens and retirees* remain outside the scope of this exemption. This appears to be an inadvertent omission, as the very objective of granting relief to vulnerable sections of society stands defeated in the absence of such parity.

We wish to place the following facts for your kind attention:

- Premium borne entirely by individual members** – These group schemes merely serve as a facilitative platform provided by voluntary bodies, NGOs, or pensioners' associations. Each senior citizen pays the premium entirely from their own personal resources, just as in an individual policy. No contribution is made by the organising body. Hence, these schemes deserve to be treated on par with individual policies, as the financial burden is borne solely by the insured persons themselves.
- Procedural complexities deter the elderly from opting for individual policies** – Due to advanced age, health conditions, mobility constraints, and limited digital literacy, most senior citizens find it extremely difficult to navigate the lengthy, document-heavy, and technology-driven procedures involved in obtaining individual insurance policies.
- Reluctance of insurance companies** – Most insurers are unwilling to issue fresh individual policies to senior or super-senior citizens owing to higher risk profiles. Consequently, the group schemes facilitated by pensioners' associations or voluntary

bodies remain the only viable avenue for elderly citizens to secure essential health coverage.

**4. Comparable to employer-based group insurance** – While corporate employers routinely provide group health insurance to their employees (a younger and healthier segment), retirees and pensioners have no such institutional backing. The group schemes arranged by voluntary associations are a compassionate attempt to fill this vacuum, purely for the welfare of a vulnerable community.

**5. Steep and unsustainable premium hikes** – The group policies covering senior citizens are invariably loss-making for insurers because of the high claim ratios. As a result, premiums often rise steeply—sometimes by over 50% in a single renewal year. Unlike individual policies, these group schemes are not protected by the premium-rise ceilings prescribed by IRDAI, further aggravating the financial hardship of elderly beneficiaries.

**6. A vulnerable group deserving state protection** – Senior citizens, particularly retirees without employer-sponsored coverage, form one of the most fragile and dependent sections of society. The levy of GST on health insurance premiums only deepens their financial distress. Exempting these schemes from GST would be a timely and compassionate measure of social justice and inclusion.

In view of the foregoing, we earnestly urge that the **GST Council** may kindly consider extending full GST exemption to all Group Health Insurance Schemes organised by voluntary, non-corporate bodies, NGOs, and pensioners' associations exclusively for senior citizens and retirees.

Such a measure would not only bring parity with existing exemptions for individual health insurance policies but would also reaffirm the Government's commitment to the welfare of the elderly, aligning fully with the spirit of compassionate and inclusive governance espoused by our Hon'ble Prime Minister.

We sincerely request that this proposal be placed before the forthcoming meeting of the GST Council for sympathetic and favourable consideration.

With respectful regards,

Yours faithfully,



G. L. Jogi  
General Secretary  
Sanchar Nigam Pensioners' Welfare Association (SNPWA)

Copy to:

1. The Hon'ble Minister of State for Finance, Government of India
2. The Finance Secretary, Government of India
3. The Secretary, Department of Revenue
4. The Chairperson, Central Board of Indirect Taxes and Customs (CBIC)