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F. No. 29-11/2025-L1
Govt. of India
Ministry of Communications
Department of Posts
Directorate of Postal Life Insurance

Chanakyapuri PO Complex,
New Delhi -110 021

Dated: - 19.09.2025

To,
All Heads of Circles.

Subject: Change in rates of Goods & Services tax (GST) on services of individual life insurance business with effect from 22 September 2025.

Sir/Madam,

Enclosed herewith please find a copy of Government of India, Ministry of Finance (Department of Revenue) Notification No: 16/2025 - Central Tax (Rate) Dated 17.9.2025 (Annexure - I) vide which the GST rate on services of life insurance business provided by an insurer to the insured, where the insured is not a group has been reduced to 'NIL' with effect from 22 September 2025.

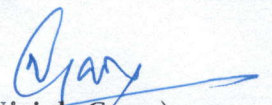
Necessary modifications are being incorporated in the McCamish system centrally to give effect to the change in tax rate on PLI & RPLI policies from the stipulated date. A copy of the changes being made in the software, depending upon various premium and default fee payment scenarios is enclosed (Annexure - II) with this letter for your kind information.

GST will however continue to be billed and deposited with the tax authority on Reverse Charge Mechanism basis on the incentive being paid to the sales force as per the existing practice. *It may, however, be noted that Input tax credit of the GST paid on RCM basis on the incentive paid to sales force of PLI & RPLI cannot be availed by the Post offices with effect from 22 September 2025.*

It is requested that these instructions may be disseminated to all Post offices under your jurisdiction for guidance and compliance.

This issues with the approval of CGM PLI.

Encl: As above.


(Nitish Gaur)
Sr. Account Officer

Copy to:

1. GM (O) PLI Dte, New Delhi.
- 2) DPLI, Kolkata - for information and with request to kindly disseminate the above instructions to all PAOs/DDOs for pay-recovery policies of other Ministries/Dept.

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

Notification
No. 16 /2025-Central Tax (Rate)

New Delhi, the 17th September, 2025

G.S.R. ----(E). - In exercise of the powers conferred by sub-sections (3) and (4) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), number 12/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 691(E), dated the 28th June, 2017, namely:—

In the said notification,-

(a) In the table, -

(i) against serial number 18, in column (3), after clause (b), the following explanation shall be inserted, namely:-

“Explanation. - Nothing contained in this entry shall apply to:

- (i) local delivery services provided by an Electronic Commerce Operator; or
- (ii) local delivery services provided through an Electronic Commerce Operator.”;

(ii) after serial number 36B and the entries relating thereto, the following serial numbers and entries relating thereto shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)
“36C	Heading 9971	<p>Services of life insurance business provided by an insurer to the insured, where the insured is not a group.</p> <p>[Please refer to clause (zfb) in para 2]</p> <p><i>Explanation:</i> For the removal of doubts, it is hereby clarified that:</p> <p>a. This exemption shall apply to a contract of insurance where the insured is an</p>	Nil	Nil

		individual, or an individual and family of the said individual. b. For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.		
36D	Heading 9971	Services of health insurance business provided by an insurer to the insured, where the insured is not a group. [Please refer to clause (zfb) in para 2] <i>Explanation:</i> For the removal of doubts, it is hereby clarified that: a. This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual. b. For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.	Nil	Nil
36E	Heading 9971	Reinsurance of the insurance services specified in serial numbers 36C or 36D.	Nil	Nil”;

(b) in paragraph 2,

(i) for clause (ze), the following shall be substituted, namely: -

“(ze) ‘goods transport agency’ means any person who provides service in relation to transport of goods by road and issues a consignment note by whatever name called, but does not include

(i) an electronic commerce operator by whom the services of local delivery are provided,

(ii) an electronic commerce operator through whom the services of local delivery are provided”;

(ii) after clause (zfa), the following clause shall be inserted, namely:-

“(zfb) For the purposes of entries at serial numbers 36C and 36D in the table above, ‘group’ means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes:

a. Employer– employee groups, where an employer-employee relationship exists between the master/group policyholder and the members of the group in accordance with the applicable laws;

b. Non employer– employee groups, where a clearly evident relationship exists between the master/group policyholder and the members of the group, for services/ activities other than insurance.”;

(iii) after clause (zg), the following clause shall be inserted, namely: -

“(zga) ‘health insurance business’ means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover;”.

2. This notification shall come into force with effect from the 22nd day of September, 2025.

[F.No.190341/188/2025-TRU]

(Md. Adil Ashraf)

Under Secretary to the Government of India

Note: The principal notification No. 12/2017 - Central Tax (Rate), dated the 28th June, 2017 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 691 (E), dated the 28th June, 2017 and was last amended vide notification number 06/2025-Central Tax (Rate), dated the 16th January, 2025 published in the Gazette of India, Extraordinary, vide number G.S.R. 41(E), dated the 16th January, 2025.

अधिसूचना

नई दिल्ली, 17 मितम्बर, 2025

सं. 12/2025 - केंद्रीय कर (दर)

सा.का.नि. 650(अ).— केंद्रीय माल और सेवा कर अधिनियम, 2017 (2017 का 12) की धारा 11 की उप-धारा (1) के तहत प्रदत्त शक्तियों का प्रयोग करते हुए, केंद्र सरकार, इस बात से संतुष्ट होते हुए कि ऐसा करना जनहित में आवश्यक है और परिपद की सिफारिशों के आधार पर, एतद्वारा, भारत सरकार, वित्त मंत्रालय (राजस्व विभाग) की अधिसूचना संख्या 8/2018-केंद्रीय कर (दर), दिनांक 25 जनवरी, 2018, जिसे भारत के राजपत्र, असाधारण, भाग II, खंड 3, उप-खंड (i) में सा.का.नि. 82(अ), दिनांक 25 जनवरी, 2018 के तहत प्रकाशित किया गया था, में और आगे भी निम्नलिखित संशोधन करनी है, अर्थात्: -

उक्त अधिसूचना में, "अधिसूचना सं. 1/2017-केंद्रीय कर (दर) की अनुसूची IV" शब्दों, कोष्ठकों और अंकों के स्थान पर, "अधिसूचना सं. 9/2025-केंद्रीय कर (दर) की अनुसूची II या अनुसूची III" प्रतिस्थापित किया जाएगा।

2. यह अधिसूचना 22 मितम्बर, 2025 से लागू होगी।

[फा. सं. सीबीआईसी-190341/188/2025-टीआरयू]

धीरज शर्मा, अवर सचिव

टिप्पणी: मूल अधिसूचना सं. 8/2018-केंद्रीय कर (दर), दिनांक 25 जनवरी, 2018 को भारत के राजपत्र, असाधारण, भाग II, खंड 3, उप-खंड (i) में सा.का.नि. 82(अ), दिनांक 25 जनवरी, 2018 के तहत प्रकाशित किया गया था और अंतिम बार अधिसूचना सं. 04/2025-केंद्रीय कर (दर), दिनांक 16 जनवरी, 2025 द्वारा संशोधित किया गया था, जिसे सा.का.नि. 59(अ), दिनांक 16 जनवरी, 2025 के तहत प्रकाशित किया गया था।

NOTIFICATION

New Delhi, the 17th September, 2025

No. 12/2025-Central Tax (Rate)

G.S.R. 650(E).— In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 8/2018-Central Tax (Rate), dated the 25th January, 2018, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) vide number G.S.R. 82(E), dated the 25th January, 2018, namely:-

In the said notification, for the words, brackets, and figures "Schedule IV of Notification No. 1/2017 -Central Tax (Rate)", the following shall be substituted, namely:- "Schedule II or Schedule III of Notification No. 9/2025 - Central Tax (Rate)".

2. This notification shall come into force on the 22nd day of September, 2025.

[F. No. CBIC-190341/188/2025-TRU]

DHEERAJ SHARMA, Under Secy.

Note: -The principal notification No. 8/2018-Central Tax (Rate), dated the 25th January, 2018, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide G.S.R. 82(E), dated the 25th January, 2018 and last amended vide Notification No. 04/2025-Central Tax (Rate), dated the 16th January, 2025, vide G.S.R. 59(E), dated the 16th January, 2025.

अधिसूचना

नई दिल्ली, 17 सितम्बर, 2025

सं. 12/2025 - एकीकृत कर (दर)

सा.का.नि. 651(अ).— एकीकृत माल और सेवा कर अधिनियम, 2017 (2017 का 13) की धारा 5 की उप-धारा (1) के तहत प्रदत्त शक्तियों का प्रयोग करते हुए, केंद्र सरकार, इस बात से संतुष्ट होते हुए कि ऐसा करना जनहित में आवश्यक है और परिपद की सिफारिशों के आधार पर, एतद्वारा, भारत सरकार के वित्त मंत्रालय (राजस्व विभाग) की अधिसूचना संख्या 9/2018-एकीकृत कर (दर), दिनांक 25 जनवरी, 2018, जिसे भारत के राजपत्र, असाधारण, भाग II, खंड 3, उप-खंड (i) में सा.का.नि. 86(अ), दिनांक 25 जनवरी, 2018 के तहत प्रकाशित किया गया था, में निम्नलिखित और संशोधन करती है, अर्थात्:-

उक्त अधिसूचना में, "अधिसूचना सं. 1/2017-एकीकृत कर (दर) की अनुसूची IV" शब्दों, कोष्ठकों और अंकों के स्थान पर, "अधिसूचना सं. 9/2025-एकीकृत कर (दर) की अनुसूची II या अनुसूची III" प्रतिस्थापित की जाएगी।

2. यह अधिसूचना 22 सितम्बर, 2025 से लागू होगी।

[सा. सं. सीबीआईटी-190341/188/2025-टीआरयू]

धीरज शर्मा, अवर सचिव

टिप्पणी: मूल अधिसूचना सं. 9/2018-एकीकृत कर (दर), दिनांक 25 जनवरी, 2018, को भारत के राजपत्र, असाधारण, भाग II, खंड 3, उप-खंड (i) में सा.का.नि. 86(अ), दिनांक 25 जनवरी, 2018 के तहत प्रकाशित किया गया था और अंतिम बार अधिसूचना सं. 04/2025-एकीकृत कर (दर), दिनांक 16 जनवरी, 2025 द्वारा संशोधित किया गया था, जिसे सा.का.नि. 61(अ), दिनांक 16 जनवरी, 2025 के तहत प्रकाशित किया गया था।

NOTIFICATION

New Delhi, the 17th September, 2025

No. 12/ 2025-Integrated Tax (Rate)

G.S.R. 651(E).— In exercise of the powers conferred by sub-section (1) of section 5 of the Integrated Goods and Services Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 9/2018-Integrated Tax (Rate), dated the 25th January, 2018, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) *vide* number G.S.R. 86(E), dated the 25th January, 2018, namely :-

In the said notification, for the words, brackets, and figures, "Schedule IV of Notification No. 1/2017-Integrated Tax (Rate)", the following shall be substituted, namely:- "Schedule II or Schedule III of Notification No. 9/2025 - Integrated Tax (Rate)".

2. This notification shall come into force on the 22nd day of September, 2025.

[F. No. CBIC-190341/188/2025-TRU]

DHEERAJ SHARMA, Under Secy.

Note: -The principal notification No. 9/2018-Integrated Tax (Rate), dated the 25th January 2018, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* G.S.R. 86(E), dated the 25th January, 2018 and last amended by Notification No. 04/2025-Integrated Tax (Rate) dated the 16th January, 2025, *vide* G.S.R. 61(E), dated the 16th January, 2025.

अधिसूचना

नई दिल्ली, 17 सितम्बर, 2025

सं. 12/2025 - संघ राज्य कर (दर)

सा.का.नि. 652(अ).—संघ राज्यक्षेत्र माल और सेवा कर अधिनियम, 2017 (2017 का 14) की धारा 8 की उप-धारा (1) के तहत प्रदत्त शक्तियों का प्रयोग करते हुए, केंद्र सरकार, इस बात से संतुष्ट होते हुए कि ऐसा करना जनहित में आवश्यक है और परिषद की सिफारिशों के आधार पर, एतद्वारा, भारत सरकार के वित्त मंत्रालय (राजस्व विभाग) की अधिसूचना संख्या 8/2018-संघ राज्यक्षेत्र कर (दर), दिनांक 25 जनवरी, 2018, जिसे भारत के राजपत्र, असाधारण, भाग II, खंड 3, उप-खंड (i) में सा.का.नि. 90(अ), दिनांक 25 जनवरी, 2018 के तहत प्रकाशित किया गया था, में निम्नलिखित और संशोधन करती है, अर्थात्:-

उक्त अधिसूचना में, "अधिसूचना सं. 1/2017-संघ राज्यक्षेत्र कर (दर) की अनुसूची IV" शब्दों, कोष्ठकों और अंकों के स्थान पर, "अधिसूचना सं. 9/2025-संघ राज्यक्षेत्र कर (दर) की अनुसूची II या अनुसूची III" को प्रतिस्थापित किया जाएगा।

2. यह अधिसूचना 22 सितंबर, 2025 से लागू होगी।

[फा. सं. सीबीआईसी-190341/188/2025-टीआरयू]

धीरज शर्मा, अवर सचिव

टिप्पणी: मूल अधिसूचना सं. 8/2018-संघ राज्यक्षेत्र कर (दर), दिनांक 25 जनवरी, 2018 को भारत के राजपत्र, असाधारण, भाग II, खंड 3, उप-खंड (i) में सा.का.नि. 90(अ), दिनांक 25 जनवरी, 2018 के तहत प्रकाशित किया गया था और अंतिम बार अधिसूचना सं. 04/2025-संघ राज्यक्षेत्र कर (दर), दिनांक 16 जनवरी, 2025 द्वारा संशोधित किया गया था, जिसे सा.का.नि. 60(अ), दिनांक 16 जनवरी, 2025 के तहत प्रकाशित किया गया था।

NOTIFICATION

New Delhi, the 17th September, 2025

No. 12/2025-Union Territory Tax (Rate)

G.S.R. 652(E).— In exercise of the powers conferred by sub-section (1) of section 8 of the Union Territory Goods and Services Act, 2017 (14 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 8/2018-Union Territory Tax (Rate), dated the 25th January, 2018, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) *vide* number G.S.R. 90(E), dated the 25th January, 2018, namely :-

In the said notification, for the words, brackets, and figures, "Schedule IV of Notification No. 1/2017-Union Tax (Rate)", the following shall be substituted, namely:- "Schedule II or Schedule III of Notification No. 9/2025 - Union Territory Tax (Rate)", shall be substituted.

2. This notification shall come into force on the 22nd day of September, 2025.

[F. No. CBIC-190341/188/2025-TRU]

DHEERAJ SHARMA, Under Secy.

Note: -The principal notification No. 8/2018-Union Territory Tax (Rate), dated the 25th January 2018, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* G.S.R. 90(E), dated the 25th January, 2018 and last amended by Notification No. 04/2025-Union Territory Tax (Rate) dated the 16th January, 2025, *vide* G.S.R. 60(E), dated the 16th January, 2025.

ANNEXURE II

POSSIBLE SCENARIOS IN RESPECT OF GST EXEMPTION ON PLI/RPLI CONSOLIDATED
IN TABULAR FORM

S.N.	Head	PAYMENT RECEIVED ON OR AFTER 22ND SEP 2025 FOR POLICY DUE IN SEP-25 MONTH or any PREVIOUS MONTH (i.e. 1 st Sep as per PLI policy or any previous month for which premium was unpaid)	PAYMENT RECEIVED ON OR AFTER 22ND SEP 2025 FOR POLICY DUE ON OCT MONTH AND THEREAFTER (i.e. 1 st Oct 2025 as per PLI policy)	LAPSE POLICYREVIAl POST 22ND SEP 2025
1	Policy payment on renewal PREMIUM	√ - GST Payable As per Normal Provision (NO CHANGE)	X NO GST	GST payable on premium recovered which was due on or before Sep-2025 and No GST on premium due on or after Oct 2025
1.1	Policy payment on New Policy accepted up to 21-09-2025	√ - GST Payable As per Normal Provision (NO CHANGE)	N.A.	N.A.
1.2	Policy payment on New Policy accepted after 21- 09-2025	X NO GST	X NO GST	N.A.
2	Late payment charges / default fee	√ GST Payable @ 18% (NO CHANGE)	X GST Exempt from policy due on or after Oct- 2025	GST payable on default fee recovered on policy due in Sep-2025 and No GST on or after Oct-2025

RCM Liability on Incentive paid to agent will continue as per existing structure.

** References: - Provision mentioned in Sec 31(5)(a) of GST Act. For details FAQ available on CBIC website may also be seen.

FAQ on GST rate change in PLI and RPLI

	QUERY	Clarification
Q.no.1	For policies where advance premium is already calculated, do we need to revert the GST for them?	No. Refund of GST shall <u>not</u> be permissible if premium stands collected
Q.no.2	For Renewal scenarios where Suspense amount is greater or equal to the Total Amount to be collected, system collects the GST amount for receipt generation and adjusts the premium amount from Suspense, this scenario will be impacted with the current, so DOP to confirm on the minimum amount which can be considered for receipt generation for such cases	GST shall be reflected on receipt if due and collected, as per the GST scenario mentioned in table.
Q.no.3	For Revival and Reinstatement cases how to calculate the GST? For e.g.: For a policy if the PTD= 31-Mar-2025, and user is coming on 23-Sep for Reinstatement. Do we need to charge the GST for Apr-Aug-25 month? OR GST should be applicable on the Total premium amount?	GST will only be charged upto Sept. 2025 month policies premium and Default fee (as due date is first of the month) e.g. April to Sept-25
Q.no.4	Also what will happen to the collections which has happened before deployment, do the GST needs to be reverted?	No. Refund of GST shall <u>not</u> be permissible if premium stands collected
Q.no.5	For HRMS , pay demand file get generated on 15 th of every month, and the response of which comes through pay deduction file by 6 th of every month, and with Phase 2 changes this date should move to 3 rd of every month, so the changes in GST components for HRMS file should be considered from Oct-25 month.	GST exemption w.e.f. Oct-2025. GST to be deducted from the salary of Sept-2025 (as due date is first of the month)
Q.no.6	Similarly for SI/NACH as well all the demand files gets generated by 19 th of every month and response of the same is also received within the same month, so again the changes in GST components for these files should also get considered from next month (Oct-25) onwards.	GST exemption w.e.f. Oct-2025. GST to be deducted for the m/o Sept-2025 (as due date is first of the month)