



मानव संसाधन प्रभाग, प्रधान कार्यालय,
प्लॉट सं 4, सेक्टर 10, द्वारका, नयी दिल्ली
HUMAN RESOURCES DIVISION HEAD OFFICE,
PLOT No. 4, SECTOR 10, DWARKA, NEW DELHI

TO ALL BRANCHES/OFFICES

Date: 07-10-2025

In Supersession of HRDD
Circular No. 823/2020 Dated 27-
03-2020 & HRDD Circular No.
862/2021 Dated 21-10-2021

HUMAN RESOURCES MANAGEMENT DIVISION CIRCULAR NO. 848/2025

REG: MASTER CIRCULAR- SCHEME OF LOAN TO RETIREES FOR PAYMENT OF MEDICAL INSURANCE PREMIUM OF IBA'S GROUP MEDICAL INSURANCE SCHEME

Detailed guidelines on "Scheme of Loan to Retirees for Payment of Medical Insurance Premium" have been circulated vide HRDD Circular No 823 dated 27.03.2020 & HRDD Circular No. 862 dated 21.10.2021.

Group Medical Insurance scheme in-lieu of "Reimbursement of Hospitalisation Scheme" was introduced as per 10th Bipartite Settlement/ 7th Joint Note dated 25.05.2015. Accordingly, on behalf of member banks, Indian Banks Association (IBA) arranges for Medical Insurance Policy for serving employees and bank retirees.

This year premium rates for IBA Group Medical Insurance Policy for retired Officers/ Workmen 2025-26 have been circulated vide HRMD Cir. No. 845/2025 dated 18.09.2025.

In order to finance premium of IBA's GMI Policy for Retired Officers/Workmen employees, bank has a scheme of loan which was last circulated vide HRDD Circular No 823/2020 Dated 27.03. 2020. Further guidelines on ROI linked with RLLR were circulated vide HRDD Cir. No 862/2021 dated 21.10.2021. Besides a new scheme code- "**DLMIP**" has also been created under this scheme for opening new account.



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To obviate frequent references on the scheme, guidelines have been consolidated for ready reference and are available in the **Annexure-I**.

All concerned are advised to note the contents of this circular for meticulous compliance.

(AMARENDRA KUMAR)
GENERAL MANAGER



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Annexure-I

DETAILED GUIDELINES ON LOAN TO RETIREES FOR PREMIUM PAYMENT OF IBA'S GROUP MEDICAL INSURANCE SCHEME

1. TARGET GROUP:

All honourable Retired Officers / Retired Award Staff (including sub staff), who have opted for "IBA's Group Medical Insurance Scheme for Retirees" and required to remit the renewal premium to the concerned Insurance Company for the same. (The loan will be sanctioned in the joint name of the retiree and spouse if alive). **This scheme is available only for pension optees.**

2. PURPOSE:

- a) Exclusively for funding the renewal premium amount **of IBA's Group Medical Insurance Scheme for Retirees.**
- b) No other purpose / requirements will be considered under the scheme.

3. MAXIMUM AMOUNT OF LOAN:

- a) 90% of the total premium amount (inclusive of tax) for one insurance year
- b) Net take home pension after all deductions including the installment of proposed loan should not be less than 40% of Gross Pension.

4. MARGIN:

10% of the insurance premium inclusive of tax for one insurance year

5. REPAYMENT PERIOD:

The entire loan is to be repaid in 12 equated monthly installments. 1st installment is to be paid within 30 days after the date of disbursement of loan 'or' on date of subsequent payment of monthly pension, whichever is earlier.

6. SCHEME CODE:

DLMIP (Demand loan for Medical Insurance Premium)



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7. ROI:

RLLR (currently 8.35%, after waiving Business Strategic Premium of 0.25% i.e. 8.35 % - 0.25% = 8.10%)

8. INTEREST Table CODE:

DSCLR

9. SANCTIONING AUTHORITY & LOANING POWER:

The sanctioning Authority will be the Branch Head of the Branch where the employee is maintaining pension account. (Loaning Powers to be exercised as per IRMD L & A Circulars on policy for loaning powers and exercising such powers at various levels issued from time to time.)

NOTE: This Loan facility will not be available, if the retiree has availed any similar facility from any other source.

10. DOCUMENTS TO BE OBTAINED:

- a) Application Form (**Annexure II**)
- b) Recent Photograph
- c) Details of Pension /PPO No. etc.
- d) Demand Promissory Note
- e) Undertaking- cum-Authority (**Annexure III**)
- f) Latest KYC Documents
- g) Demand Pronote- PNB 728
- h) Master Agreement- 2057
- i) Certificate of Mentally/Physically challenged/ Disabled dependent family member should be as per The Right of Person with Disabilities Act, 2016 and The Mental Healthcare Act, 2017 and subsequent modifications/ additions to the list in the Act, if applicable.



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Annexure – II

**REQUEST-CUM-SANCTION LETTER FOR DEMAND LOAN TO RETIREES FOR
PAYMENT OF MEDICAL INSURANCE PREMIUM**

The Manager,
Punjab National Bank,

Dear Sir/ Madam,

Re: Loan for payment of Medical Insurance Premium

I request you to grant me demand loan of _____
(_____ only) for payment of Medical Insurance Premium.
I am eligible for the loan applied for under the above Scheme for retirees. I am drawing a
monthly pension of _____
(_____) having retired from _____
in the year _____. The
pension is being credited in my SF / CA / OD A/c no. _____ maintained with your
branch.

I agree to repay the said demand loan of _____
(_____) in 12 monthly installments along
with interest at the rate of _____. The interest chargeable shall be subject to changes
as prescribed by Bank from time to time. In the event of my death or for any reason/s
deemed necessary, the Bank shall have the right to recall the loan outstanding
immediately irrespective of repayment period fixed. I also agree to execute all the
documents prescribed and to abide by all terms and conditions of the Scheme from time
to time.

I authorize the Bank, that in the event of sanction of loan, to debit the amount of monthly
installment every month to my SF / CA / OD a/c no. _____ with the Bank in
which my pension is credited and credit it to the aforesaid Loan a/c until the loan is fully



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adjusted. The authority given by me to the Bank is irrevocable unless and until the loan is repaid by me in full.

I undertake and agree that I will not raise any further loan/advance from any other branch of PNB or any other Bank / NBFC under the same or similar Scheme till full repayment of the loan, without consent of the Bank.

I hereby agree as a pre condition of the loan given to me by the Bank that in case I commit default in the repayment of loan or in the repayment of interest thereon or any of the agreed installments of the loan on due date(s), the Bank and/or the Reserve Bank of India will have an unqualified right to disclose my name as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.

I hereby agree and give consent for the disclosure by the Bank of all or any such:

- Information and data relating to me.
- The information and data relating to any credit facility availed of/to be availed, by the borrower/s and
- Default, if any, committed by me in discharge of my obligation, as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. And any other agency authorized in this behalf by RBI.

I declare that the information and data furnished by me to the Bank are true and correct. I undertake that:

Yours faithfully,

Place _____

Date _____

SIGNATURE OF THE APPLICANT

Name: _____
PF No. _____
PPO No. _____
Address: _____



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City _____ District _____
Pin Code _____

Permanent Address _____

City _____ District _____
Pin _____
Code _____

Telephone (with STD Code) _____
Mobile No. _____

COMMENTS / RECOMMENATIONS OF APPRAISING OFFICER

(Signature & Name of Appraising Officer)

ORDERS OF THE SANCTIONING AUTHORITY

(Signature & Name of Sanctioning Authority)



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Annexure – III

UNDERTAKING

The Branch Manager Punjab National Bank B/O- _____

Dear Sir/ Madam,

**Reg.: My Demand Loan Account No. _____ for payment of
Medical Insurance Premium**

I have availed Demand Loan of _____ (_____ in
words) on _____ from PNB.

Please deduct monthly installment of Rs. _____ of the aforesaid loan from my
Pension Account No. _____ till adjustment of the loan.

In this regard, I hereby give the undertaking that I will not shift my Pension Account till my
Demand Loan is running with Punjab National Bank.

Yours faithfully,

(Borrower(s))

Place :

Date :