



Goods & Service Tax (GST) FAQs

1. What is the Goods and Services Tax?

The Goods and Services Tax (GST) is an integrated tax, subsuming most of the existing indirect taxes such as Service tax, VAT, Central Excise Duty etc. into a single system of taxation. GST works on the concept of “One Nation One Tax”. This has been implemented by the Government of India from July 1, 2017.

This is a consumption based Tax, in which any goods and services consumed in a particular State within India will garner the GST.

2. What are the types of GST?

GST is composed of three different types of taxes. All transactions of goods and services made within a State would attract two types of GST levies i.e. CGST & SGST and in case of inter- state transactions, IGST will apply:

- CGST (Central Goods and Services Tax): To be paid on all transactions within a State, collected by the Central Government.
- SGST (State Goods and Services Tax): To be paid on all transactions within a State, Collected by the respective States Government.
- IGST (Integrated Goods and Services Tax): To be paid on all inter-state transactions, or import of goods into India, collected by the Central Government.

3. What is the applicable GST rate on my Policy?

Product Type	Applicable On	Service Tax & Cess (Up To June 30, 2017)	GST Effective (July 1, 2017 Onwards)
Term Policy	Premium payable	15%	18%
Unit Linked Insurance Policy	All applicable charges	15%	18%
Health Insurance Policy	Premium payable	15%	18%
Endowment Policy	First Premium	3.75%	4.50%
Endowment Policy	Premium Payable i.e. Regular Premium	1.88%	2.25%

4. Is GST payable on the premium of all my Insurance Policies?

Yes, GST is applicable to all life insurance policies with the exemption insurance plans like the Pradhan Mantri Jeevan Jyoti Bhima Yojana (PMJJBY) in which the indirect tax exemption continues. Group Product Sarv Surksha also continues to exempt from GST as per the specified limit.

5. I am paying GST in addition to the existing taxes on my Insurance Policies?

GST is an indirect tax which replaces the service tax & cess on premiums. Therefore, the tax applicable to your policy is GST only.

6. Will I have a view on the GST component I am paying in my Premium?

Yes. The details of GST paid by you on premiums would be disclosed separately on the premium receipts given to you.

7. Will GST be applicable in Jammu & Kashmir?

GST is applicable in Jammu & Kashmir effective July 8, 2017.

8. Is GST is Refundable?

No, GST will not be refundable at the time of maturity, death or surrender. However, if GST was collected from you on the initial premium then the same shall be refunded to you along with your collected premium, minus deduction of applicable charges and GST thereon, in case of free look cancellation of your policy.