



Circular No. CHO/PMG/31/ 2025-26

Date 10-10-2025

**CIRCULAR TO ALL BRANCHES/OFFICES IN INDIA**

**Sub: Demand Loan facility to retired staff pensioners/staff family pensioners of the Bank for payment of Group Medical Insurance Premium for Insurance Coverage Period 2025-26.**

The IBA Group Medical insurance policy for Bank retirees for the policy year 2024-25 is expiring on 31.10.2025. For renewal of IBA Group Medical Insurance Scheme for retired staff pensioners/staff family pensioners from the period 01.11.2025 to 31.10.2026, Insurance Company has confirmed the rate of premium payable for Retired officers and award staff employees, the same has been circulated vide our Circular no. **CHO/PMG/24/2025-26 dated 20.09.2025.**

Upon receipt of requests from many of the retired staff pensioners/staff family pensioners, the matter was taken up with the Competent Authority for extension of Demand Loan to Staff Pensioners and Staff Family Pensioners of the Bank, for payment of insurance premium for the policy year 2025-26.

Accordingly, A Demand Loan Scheme has been approved by the Competent Authority for retired staff pensioners/staff family pensioners towards payment of insurance premium for renewal of IBA Group Medical Insurance Scheme for retirees for Insurance period 2025-26. The salient features and detailed guidelines on the New Demand Loan Scheme are given below:

**Sallent Features/Guidelines:**

SI	Particulars	Guidelines
1.	<b>Objective / Purpose</b>	To provide a Demand Loan facility to retired staff pensioners/staff family pensioners for payment of Group Medical Insurance Premium for insurance period 2025-26
2.	<b>Eligibility</b>	Staff Pensioners and Staff Family Pensioners covered under IBA Group Medical Insurance Policy.

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3.	<b>Quantum of Loan</b>	10 times of take-home monthly pension subject to a maximum of total premium payable including premium for Top-up Policy.  <b>However, It is to be ensured that total deduction including the Instalment of the proposed loan should not exceed 60% of the gross monthly pension.</b>
4.	<b>Rate of Interest</b>	UCO Float Rate i.e. presently @ 8.30% per annum. ROI is subject to change from time to time with change in UCO Float Rate.
5.	<b>Repayment</b>	Maximum of 10 EMIs (to be recovered from monthly pension/family pension) to commence from one month after disbursement
6.	<b>Processing/Documentation Charges</b>	Nil
7.	<b>Guarantee</b>	a) Personal guarantee of spouse eligible to receive family pension in the event of death of pensioner. b) In case of family pensioner (surviving spouse), a third-party guarantee having sufficient income should be positively obtained.  Wherever possible, the Branch should obtain personal guarantee of Son(s)/Daughter(s) in case the spouse is pre-deceased or a third party guarantee acceptable to the Bank.
8.	<b>Documentation</b>	i. DP Note(A1) ii. Letter of Waiver (A47). iii. Letter of Guarantee (A21A) iv. Irrevocable letter of authority as per prescribed format.
9.	<b>Sanctioning Authority</b>	Branch Head of pension paying Branch



10.	<b>Other Conditions</b>	<ul style="list-style-type: none"> <li>▶ Net take home pension must be 40% of the total pension after deduction of all EMIs including proposed loan.</li> <li>▶ If premium is already paid for insurance period 2025-26 by the retired employees, then loan may be provided on declaration basis.</li> <li>▶ The Scheme will remain effective till 31.12.2025. No loan will be sanctioned on or after 01.01.2026.</li> <li>▶ Application form duly signed by the retired staff pensioners/staff family pensioners should be submitted to the Sanctioning Authority.</li> <li>▶ Those who have outstanding balance in the loan availed by them earlier should clear off the outstanding dues to avail the proposed loan.</li> </ul>		
11.	<b>Scheme Code</b>	<b>Description of Scheme</b>	<b>Interest Table Code</b>	<b>GL Sub-Head Code</b>
	<b>Demand Loan L751A</b>	DL-UCO Ex-Staff Health Insurance Premium Loan	R751A	43026

All heads of the Branches/Offices are advised to display a copy of this Circular on the Notice Board for visibility and information of all concerned.

  
**Rajesh Nagar**  
Chief General Manager  
(HRM, PSD, TRAINING & OL)



Encl: Application Form  
Irrevocable Letter of Authority