

THE EMPLOYEES' STATE INSURANCE ACT, 1948

The ESI Act provides certain benefits to employees in case of sickness, maternity and employment injury. The act applies to non-seasonal factories using power and employing more than 10 employees, and non-power using factories and certain other establishments employing 20 or more employees.

All benefits are provided in ESIC hospitals, clinics and approved independent medical practitioners. The existing wage limit for coverage under the Act effective from 01/01/2017 is Rs.21,000/- per month [Rs. 25,000/- per month in the case of persons with disability].

The act provides periodic payments to women in case of confinement, miscarriage or related sickness. This is applicable only to the insured women. They can also claim maternity benefits of about 70% of their salary.

Why this ESIC Act, 1948 came into force:

This Act is designed to complete the task of protecting “Employees” as defined in the ESI Act – 1948, against the hazards of Sickness, Maternity, Disablement or Death due to Employment injury and to provide full Medical care to insured persons and their families.

Applicability:

- **Sec 2(12)** None –seasonal Factories using power in and Employing ten (10) or more persons
- Nonseasonal and non-power using factories and establishments employing twenty (20) or more persons
- **Sec 1(5)**, the scheme has been extended to shops, hotels, restaurants, cinemas including preview theatres, road-motor transports undertakings and newspaper establishments employing 20 or more persons.

Note: Registration Certificate or License issued under Shops and Establishment Acts or Factories Act. (Sec 2A)

Registration under ESIC:

Shops or Establishments that have 10 or more employees, drawing the wages of up to **(not exceeded) Rs.21,000 /-** a month are required to be registered in FORM 01 within 15 days after the act becomes applicable to a unit or establishment for ESIC under the ESI Act 1948.

Once, registered the organization is allotted a 17-digit unique identification code.

ESI Contribution:

ESI contributions must be made by the employer for all employees having a salary of less than Rs.21,000 per month. The employer must contribute 4.75% and employee must contribute 1.75% of the wages for ESI.

The amount of contribution (Employee's and Employer's share) is to be deposited with the authorized bank (State Bank Of India) through Online Generated Challan, **on or before the 21st day of the Succeeding month, of month following the calendar month.**

COMPLIANCE:

Every employer covered under this act has to comply with various compliances such as **deposit of monthly contribution, in order to file half yearly return** and report to ESIC authorities if there is any change in business activity, address, ownership, and the management, maintenance of registers and records etc.

Documents Required For ESI Registration:

> To be Submitted by Employer:

> Registration Certificate or Licence issued under the Shops and Establishment Acts or Factories Act.

> Address Proof: Latest Rent receipt of the premises you are occupying indicating the capacity in which the premises are occupied, if applicable.

> Latest building Tax/Property Tax receipt (Photocopy).

> Memorandum and Articles of Association/Partnership Deed/Trust Deed depending on the entity that is applying for registration.

> Photocopy of certificate of Commencement of production and/or Registration No. of CST/ST (or GST once it becomes applicable).

> Copy of PAN Card

> Evidence in support of the date of commencement of production/business/first sale (e.g. Copy of First Invoice).

> Month wise employment position, salary etc.

> Copy of bank statement

To be Submitted by Employees:

Family Photo in Duplicate

Records to be maintained for the purpose of the ESI Scheme:

In addition to the Muster roll, wage record and books of Account maintained under other laws, the employer is required to maintain the following records for ESI:-

- Accident Register in Form-11
- An inspection book.
- The immediate employer is also required to maintain the Employee's Register for the employees deployed to the principal employer.

Reports to be submitted by the Employer:

Reports: Accident report in Form 12 in case any accident takes place, to the notice of the Accident. Absence verification reports such as Employee Records including attendance, wages, and books of accounts.

Periods of contribution and benefit

The financial year from April to March has been divided into two six-monthly contribution periods i.e. 1st April to 30th September and 1st October to 31st March of the next year.

The relevant period of benefit corresponding to each period of contribution commences three months after the end of that contribution period i.e. **Jan to June and July to December** (The calendar year has been divided into two six-monthly benefits periods).

Benefits

(a) Medical Benefit : Full medical care is provided to an Insured person and his family members from the day he enters insurable employment. There is no ceiling on expenditure on the treatment of an Insured Person or his family member. Medical care is also provided to retired and permanently disabled insured persons and their spouses on payment of a token annual premium of Rs.120/- .

(b) Sickness Benefit(SB) : Sickness Benefit in the form of cash compensation at the rate of 70 per cent of wages is payable to insured workers during the periods of certified sickness for a maximum of 91 days in a year. In order to qualify for sickness benefit the insured worker is required to contribute for 78 days in a contribution period of 6 months.

1. 1. Extended Sickness Benefit(ESB) : SB extendable upto two years in the case of 34 malignant and long-term diseases at an enhanced rate of 80 per cent of wages.
2. 2. Enhanced Sickness Benefit : Enhanced Sickness Benefit equal to full wage is payable to insured persons undergoing sterilization for 7 days/14 days for male and female workers respectively.

(c) Maternity Benefit (MB) : Maternity Benefit for confinement/pregnancy is payable for Twenty Six (26) weeks, which is extendable by further one month on medical advice at the rate of full wage subject to contribution for 70 days in the preceding Two Contribution Periods.

(d) Disablement Benefit

1. 1. Temporary disablement benefit (TDB) : From day one of entering insurable employment & irrespective of having paid any contribution in case of employment injury. Temporary Disablement Benefit at the rate of 90% of wage is payable so long as disability continues.
2. 2. Permanent disablement benefit (PDB) : The benefit is paid at the rate of 90% of wage in the form of monthly payment depending upon the extent of loss of earning capacity as certified by a Medical Board

(e) Dependants Benefit(DB) : DB paid at the rate of 90% of wage in the form of monthly payment to the dependants of a deceased Insured person in cases where death occurs due to employment injury or occupational hazards.

(f) Other Benefits :

Funeral Expenses : An amount of Rs.15,000/- is payable to the dependents or to the person who performs last rites from day one of entering insurable employment.

Confinement Expenses : An Insured Women or an I.P.in respect of his wife in case confinement occurs at a place where necessary medical facilities under ESI Scheme are not available.

In addition, the scheme also provides some other need based benefits to insured workers.

Vocational Rehabilitation :To permanently disabled Insured Person for undergoing VR Training at VRS.

Physical Rehabilitation : In case of physical disablement due to employment injury.

Old Age Medical Care :For Insured Person retiring on attaining the age of superannuation or under VRS/ERS and person having to leave service due to permanent disability insured person & spouse on payment of Rs. 120/- per annum.

Rajiv Gandhi Shramik Kalyan Yojana : This scheme of Unemployment allowance was introduced w.e.f. 01-04-2005. An Insured Person who become unemployed after being insured three or more years, due to closure of factory/establishment, retrenchment or permanent invalidity are entitled to :-

1. Unemployment Allowance equal to 50% of wage for a maximum period of upto Two Years.
2. Medical care for self and family from ESI Hospitals/Dispensaries during the period IP receives unemployment allowance.
3. Vocational Training provided for upgrading skills - Expenditure on fee/travelling allowance borne by ESIC.

Atal Beemit Vyakti Kalyan Yojana : This scheme is a welfare measure for employees covered under Section 2(9) of ESI Act, 1948, in the form of cash compensation upto 90 days, once in a lifetime, to be claimed after three months in one or more spells for being rendered unemployed, provided the employee should have completed two years of insurable employment and has contributed not less than seventy eight (78) days in each of the four consecutive contribution periods immediately preceding to the claim of the relief. The relief shall not exceed twenty five percent (25%) of the average earning per day.

The Scheme was introduced w.e.f. 01-07-2018. The scheme is implemented on pilot basis for a period of two years initially.

Incentive to employers in the Private Sector for providing regular employment to the persons with disability :

- Minimum wage limit for Physically Disabled Persons for availing ESIC Benefits is 25,000/-.
- Employers' contribution is paid by the Central Government for 3 years.

Benefits & Contributory Conditions :

An interesting feature of the ESI Scheme is that the contributions are related to the paying capacity as a fixed percentage of the workers wages, whereas, they are provided social security benefits according to individual needs without distinction.

Cash Benefits are disbursed by the Corporation through its Branch Offices (BOs) / Pay Offices (POs), subject to certain contributory conditions.

Employees State Insurance Corporation

Name Of The Employee : _____

Election id number of employee: _____ :

Aadhar number of Employee : _____

Nature Of The Job : _____

Date Of Birth :

Father /Husband :

Aadar no of Father/Husband : _____

Date Of Join In P.F / E.S.I : _____

Nearest E.S.I Dispensary : _____

Mob Num :

Present address

Permanent Address

Bank Ac number :

Bank Branch :

Name of nominee : _____

Family members

Name

Date of Birth

Father _____

Mother

Children