

# THE EMPLOYEE'S STATE INSURANCE ACT, 1948

# Employee State Insurance Scheme ???



## Mission Statement :

To provide for certain benefits to Employees in case of Sickness, Maternity and Employment Injury and to make provisions for Related Matters.

**The ESI Scheme** is an integrated measure of “**Social Insurance**” come to the life through the Employees' State Insurance Act - 1948, and 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.



# ESI Scheme Today (As on 31<sup>st</sup> March 2010)



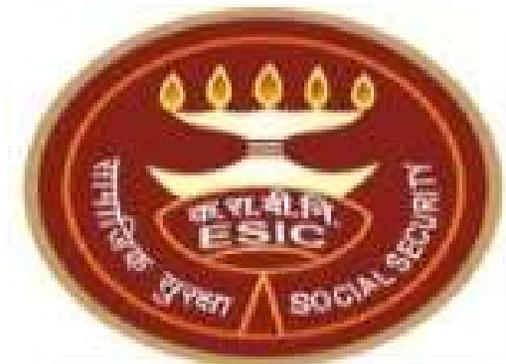
## Coverage in India:

- No. of States/UTs covered:- 29
- No. of implemented centers:- 787
- No. of Employees:- 1.39 crores
- No. of Insured Persons/Family units:- 1.43 crores
- No. Insured women:- 26.00 lakhs
- No. of Beneficiaries:- 5.55 crores
- No. of Employers covered:- 4.06 lakhs



## Infrastructure in India:

- No. of Regional/Sub-Regional/Divl. Offices:- 52
- No. of Branch/Pay offices:- 798
- No. of ESI Hospitals:- 148
- No. of Hospital Annexes:- 42
- Total No. of Hospital Beds:- 27,739
- No. of ESI dispensaries:- 1388
- No. of IMOs/IMPs/Specialists etc.:- 8925
- No. of Para-medical staff:- 45000



At an average the ESI Corporation makes **40 lacs** individual payments each year amounting to about **Rs. 300 crores** through its wide spread network of branch Offices in implemented areas.

# Applicability of the ESI Act:



- Under Section 2(12) The Act is applicable to the “**Factories**” employing **10 (Ten)** or more persons irrespective of whether power is used in the process of manufacturing or not.
- Under Section 1(5) of the Act, the Scheme has been extended to **Shops, Hotels, Restaurants, Cinemas** including preview Theatre, Road motor transport undertakings and Newspaper establishment employing **20 (Twenty)** or more persons.
- Further, u/s 1(5) of the Act, the Scheme has been extended to **Private Medical Institution and Educational Institutions** employing **20 (Twenty)** or more persons in certain States .
- The existing wage-limit for coverage under the Act, is **Rs. 15,000/-** per month (excluding remuneration for overtime) **w. e. f:- May 01, 2010.**
- **AREAS COVERED**  
The ESI Act is applicable across the length and breadth of the India.

# ESI Contribution Share:



**Employee's ESI  
Contribution**  
(1.75% Of Gross Salary)



**Employer's ESI  
Contribution**  
(4.75% Of Gross Salary)

**Total ESI  
Contribution**  
(6.5% Of Gross Salary)

# Contribution Deposit & Due Date:



- 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 **21<sup>st</sup>** day of the Succeeding month, of month following the calendar month.
  - Contribution can also be submitted **Online**, by selecting **Online Payment Option** during Payment of the contribution, the process will take you the Payment page of SBI corporate banking login to complete the payment & same will be completed in **few minutes**.
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- If the employee is drawing upto **Rs.70/-** as daily average wage, he is exempt from the payment of his share of contribution. The employer is however to pay employer's share of **4.75%** of the salary received by the employee.
  - The State Govt. bears one-eight share of expenditure on medical benefits with in the per capita ceiling of **Rs. 1200/-** per I.P. family per annum & all additional expenditure beyond the ceiling.

# Contribution & Benefit Period:



**Employers covered** under the Act, are required to Pay the Contribution towards the scheme on a Monthly basis. There are two contribution periods each of **Six months** and two corresponding benefit periods also of **Six months** duration as under.

## Contribution Period

**1<sup>st</sup> April to 30<sup>th</sup> Sep.**

**1<sup>st</sup> Oct to 31<sup>st</sup> March**

## Benefit Period

**1<sup>st</sup> Jan to 30<sup>th</sup> June**  
(of the following year )

**1<sup>st</sup> July to 31<sup>st</sup> Dec.**

\*\* At an average the ESI Corporation makes **40** lacs individual payments each year amounting to about Rs. **300** crores as cash benefits.



# Social Security Benefits of ESIC:



The following benefits are provided under section 46.

- Medical benefit
- Sickness benefit
- Maternity benefit
- Disablement benefit
- Dependents benefit
- Funeral expenses
- Others Benefits





## Medical Benefits



The **ESI Scheme** provides full range of **Medical Care** to all Insured person and thier family, through a network of ESI Dispensaries, Hospitals & Panel Clinics, Diagnostic Centers & Super Speciality.

**Super-Speciality treatment such as:-** Open Heart Surgery, Neuro Surgery, Bone Marrow Transplant, Kidney Transplant or specialized investigations like CAT scan, MRI, Angiography etc.

**Eligibility for MB:-** An employee who is covered under the Scheme for the first time is eligible for medical care for a period of three months. If employee contributes atleast for 78 days in a contribution period the eligibility is there upto the end of the corresponding benefit period.

Claim form under ESI Act:- **Form - 09**





# Sickness Benefits:



**Sickness Benefits** represents periodical cash payments made to an IP during the period of certified sickness occurring in a benefit period when IP requires medical treatment and attendance with abstention from work on medical grounds.

**Eligibility for SB:-** Minimum 78 days contribution in one contribution period.

The daily rate of Sickness Benefit is **50%** of the daily wages.

**Max. Duration:-** Maximum period of 91 days in any two consecutive benefit periods.

**Claim form under ESI Act:- Form - 09**



**Extended Sickness Benefit:** Extended Sickness Benefit is a Cash Benefit paid for prolonged illness due to any of the 34 specified diseases as per (Annexure – A).

**Eligibility for Extended SB:-** Continuous employment for a period of 2 years and should have contributed for atleast 156 days in 4 preceding contribution periods. The daily rate of Extended Sickness Benefit is **40% more than SB rate**.

**Maximum Duration of ESB:-** Including Sickness Benefit payable for 91 days the ESB is payable upto a further period of 124/309 days that can be extended upto **2 years** in special circumstances on recommendation of competent authority.



# Maternity Benefits



**Maternity Benefit** consists of periodical cash payments in case of confinement or miscarriage or sickness arising out of pregnancy, confinement, premature birth of child or miscarriage, to an insured woman as certified by a duly appointed medical officer or mid wife.

**Eligibility for MB:-** The contribution condition is the same as for Sickness Benefit. The daily benefit rate is double the Sickness Benefit rate and is thus roughly equivalent to the full wages. Benefit is paid for Sundays also.

## **The Benefit is paid as follows:-**

- (a) For Child Delivery:- For a total period of **12** weeks beginning not more than 6 weeks before the expected date of child birth.
- (b) For Miscarriage:- For a period of 6 weeks following the date of miscarriage.
- (c) For Sickness arising out of pregnancy, confinement, premature birth of child or miscarriage:- For an additional period of upto **04** weeks.

Claim form under ESI Act:- **Form – 09 & 19 (Notice of Work)**



**Medical Bonus:-** Medical Bonus is lump sum payment made to an insured woman or the wife of an insured person in case she does not avail medical facility from an ESI hospital at the time of delivery. The amount of Bonus is **Rs. 2500/-**.



# Disablement Benefit



**Disablement Benefit** is admissible for disablement caused by employment injury. At the first instance, temporary disablement benefit is payable as long as the temporary disability lasts. If the employment injury results in partial or total/permanent disability, permanent disablement benefit is payable till the death of the insured person.

The Daily benefit rate for Permanent and Temporary Disablement is roughly equivalent to about **100% of the wage rate**. For permanent partial disablement, the rate of benefit is proportionate to the **percentage of loss of earning capacity**. The benefit is paid for Sundays also.

**Claim form under ESI Act:** For Temporary Disablement:- **Form – 09**  
For Permanent Disablement:- **Form – 14**





# Dependent Benefits



Dependents benefit is paid as family pension to the dependants of a deceased insured person in the event of death due to employment injury or occupational disease and is equivalent to **about 70%** of the wages.

## Eligible Members:

- A widow can receive this benefit on monthly basis for life or till her **Re-Marriage**.
- A son or daughter can receive this benefit till **(25) twenty five years** of age.
- Other dependants like parents including a widowed mother etc. can also receive this benefit under certain conditions.
- The first installment is payable within a **maximum of three months** following the death of an insured person and therefore, on a regular monthly basis.

Claim form under ESI Act:- **Form – 15 & 16**





# Funeral Expenses



**Funeral expenses** are in the nature of a lump sum payment of **Rs. 10000/-** (revised from @ 5000/- w.e.f:- April 2011) made to defray the expenditure on the funeral of deceased insured person. The amount is paid either to the eldest surviving member of the family or, in his absence, to the person who actually incurs the expenditure on the funeral.

**Claim form under ESI Act:- Form – 22**



## **Others Benefits:-**

**Rehabilitation Allowance:-** Rehabilitation in case of disabled insured persons under 45 years of age with 40 percent or more disablement.

**Free Supply:-** Free Supply of physical aids and appliances such as crutches, wheelchairs, dentures, spectacles and other such physical aids.

**Old Age Medical Care:-** Old age Medical care for self and spouse at a nominal contribution of Rs. 120/- per annum.

**Rajiv Gandhi Shramik Kalyan Yojana:-** Unemployment Allowance is payable to those workers facing involuntary unemployment due to closure of factory or non-employment injury. Benefit rate which is just above 50% of the daily wages for max 01 year.

# Obligation of the Employers :



Complete the Registration process within 15 days after the Act becomes applicable. Submit Form - 01 to the Regional office or apply through Online to get the unique Registration No. under this Act.

## Following Responsibility are:-

- Generated the TIC & handover to employee for Smart Card.
- Maintain an Accident Book in Form - 11 (under Regulation 66)
- Submit an Accident Report in Form – 16 within 24 hours of Accident.
- Grant leave to insured employees on the basis of sickness certificates.

## Records Maintenance :-

- ✿ Register of Employees in Form -6 (under Regulation 32)
- ✿ Accident Book in Form - 11 (under Regulation 66)
- ✿ Inspection Book (under Regulation 102A)
- ✿ File for copies of return of declaration forms.
- ✿ File for copies of Return of Contribution, Challans, etc.
- ✿ File for general correspondence & copies of Accident Reports.



# Safeguards for Insured Employees:



- Right to receive **Payment** of any benefit under the Act that shall not be “**Transferable or Assignable**”.
- **Cash Benefits** payable under the Act are not liable to attachment or sale in execution of any decree or order of any court.
- Employer shall not dismiss, discharge or **reduce the wages** or otherwise punish a covered employee during the period he / she is in receipt of **Sickness Benefit or Maternity Benefit etc.**
- By reason of his liability to pay his share of contribution under the ESI Act, no employer shall directly or indirectly reduce the wages of a covered employee.
- Right to register their grievances / complaints at any level for immediate Redressal & Judgement.
- Right to approach EI Court against any action/ decision of the medical Board etc.



# Benefits of Smart Card:



- Medical treatment is available in any ESI Dispensary, Centre & ESI Hospital **all over of India**.
- As per rule, Smart card (know as **Pahachan card**) will be accepted (valid) **for life long**.
- No need to take New card, when employee is changing the **Job or office**.
- It is comfortable to carry always by the insured persons & their families.
- **Employee's & their family** members details can change or update without any objection.
- Insured person health record will be available online for any future treatment required to the person in all ESIC centers.
- Any one can find the details easily of insured persons & his family members by login with IP No. on **esic.in** (via- IP's login).
- Temporary and permanent workers can use this facility of Smart Card to avail all the above benefits easily.



# Interest & Damages as Penalty:



Under Section 39(5)(a) of the ESI act, read with Regulation 31(A) of the ESI (General) Regulations 1950, the employer is liable to **pay simple interest @ 15 percent per annum** in respect of each day of default or delay in payment contributions. In addition, under the Provision of Regulation 31-C of ESI (General) Regulations, 1950, read with section 85 (B)(i) of the ESI Act, the Corporation is empowered **to recover damage as under:**

## Period of delay in payment of Contribution

## Rate of Damages on the amount due

- |   |            |
|---|------------|
| i). Up to less than 2 months                    | <b>5 %</b> |
| ii). 2 months and above but less than 4 months  | <b>10%</b> |
| iii). 4 months and above but less than 6 months | <b>15%</b> |
| iv). 6 months and above                         | <b>25%</b> |



# Enrolment Process for Smart Card



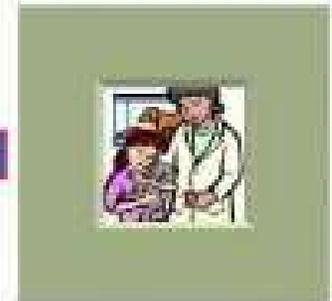
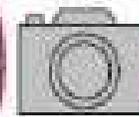
IP walks in with family and old insurance paper card

Branch Official checks DF & approves or rejects

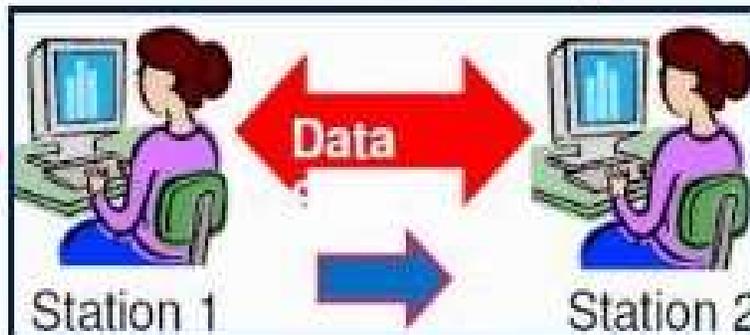
IP walks in to enrolment station 1 & operator checks details, modifies name, if reqd

IP walks in to enrolment station 2 for biometric capture

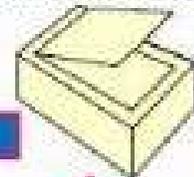
Web Cam



Family Photograph



Biometric scanner

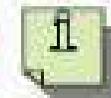


Finger prints

IP issued with a slip capturing IP no., date of enrolment, no. of enrolments, Branch Official name, enrolment official name



Slip printer



Acknowledgement



**Have a Nice Day....😊😊😊**

Eagerly waiting 4 Ur Feedback n Suggestion on :-

[hope.mata10@gmail.com](mailto:hope.mata10@gmail.com)