



**KAMARAJ IAS ACADEMY**  
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# Employees State Insurance (ESI) Scheme

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**Why is in news?** 19.42 lakh new workers enrolled under ESI Scheme in the month of August, 2023

Around 24,849 new establishments have been registered and brought under the social security umbrella of the Employees' State Insurance Corporation in the month of August, 2023, thus ensuring more coverage.

Data evidently reveals that more jobs have been generated for the youth of the nation as out of the total 19.42 lakh employees added during the month, 9.22 lakh employees up to the age group of 25 years constitute new registrations which is 47.48 % of the total employees.

Gender-wise analysis of payroll data indicates that net enrolment of female members has been 3.73 lakh in August, 2023. The data shows that a total 75 transgender employees have also got registered under ESI Scheme in the month of August, 2023. It shows that ESIC is committed to deliver its benefits to every section of the society.

The payroll data is provisional since the data generation is a continuous exercise.

## **About:**

It is a **social security scheme** offered by the Government of India as per the Employees' State Insurance Act, 1948.

It is administered by a statutory corporate body called the **Employees' State Insurance Corporation (ESIC)**

The scheme provides protection to employees against disablement/death due to employment injury, sickness, and maternity.

## **Applicability:**

The ESI Scheme applies to **factories and other establishment's** viz. Road Transport, Hotels, Restaurants, Cinemas, Newspaper, Shops, and Educational/Medical Institutions **wherein 10 or more persons are employed.**

However, in some States **threshold limit** for coverage of establishments is **still 20.**

It is the employer's legal responsibility to register their factory/ establishment under the ESI Act within 15 days of its applicability to them.

The existing wage limit for coverage under the Act is Rs.21,000/- per month (Rs.25000/- per month in the case of Persons with Disability).

It is the employer's responsibility to enroll eligible employees in the ESI program.

## **Contributions:**

This is a **self-financing scheme**, where the employees and the employers make regular monthly contributions to the scheme at a certain percentage of their wages.

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As of now, covered **employees contribute 0.75% of the wages**, whereas the **employers contribute 3.25% of the wages**, payable to their employees.

Employees earning less than Rs. 137/- a day as daily wages are exempted from payment of their share of contribution.

The State Governments, as per provisions of the Act, contribute 1/8th of the expenditure of medical benefits within a per capita ceiling of Rs. 1500/- per Insured Person per annum.

### **Benefits:**

**Sickness Benefit:** During medical leave, the scheme offers cash flow during the said period. The worker can avail 70% of the daily wage for a maximum of 91 days. This can be availed in two consecutive periods.

**Disablement Benefit:** In case of temporary disablement of the worker, they are eligible for a monthly wage of 90% until they recover. In the case of permanent disability, 90% of the monthly wage can be availed for the entire life.

**Dependants' Benefit:** 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.

**Maternity Benefit:** The beneficiary can avail 100% of the daily wages for up to 26 weeks, which can be extended to a further one month based on the medical advice. In the case of miscarriage, the benefit is 6 weeks, while in the case of adoption it is 12 weeks.

**Medical Benefit:** Under the scheme, the insured's medical expenses are covered through affordable and reasonable healthcare facilities.

Besides the above, other benefits being provided to the beneficiaries are Confinement Expenses, Funeral Expenses, Vocational Rehabilitation, Physical Rehabilitation, Unemployment Allowance (RGSKY) and Skill Upgradation Training.

Employee's insurance number remains the same as long as he or she remains within the ESIC wage limit. Changing jobs will not affect an employee's insurance status, and his or her insurance number will remain the same.



19.42 lakh new workers enrolled under ESI Scheme in the month of August, 2023



9.22 lakh young employees upto the age group of 25 years constitute new registrations

## ESIC Data



Around 24,849 new establishments registered under ESI Scheme in the month of August, 2023



Benefits of ESI Scheme extended to 75 transgender employees in August, 2023