

EMPLOYEES' STATE INSURANCE SCHEME OF INDIA

An introduction

The Employees' State Insurance Scheme is an integrated measure of Social Insurance embodied in the Employees' State Insurance Act and it is designed to accomplish the task of protecting 'employees' as defined in the Employees' State Insurance Act, 1948 against the impact of incidences of sickness, maternity, disablement and death due to employment injury and to provide medical care to insured persons and their families. The ESI Scheme applies to factories and other establishments 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. Employees of the aforesaid categories of factories and establishments, drawing wages upto Rs.15,000/- a month, are entitled to social security cover under the ESI Act.

ESI Corporation has also decided to extend the benefits of the ESI Scheme to the workers deployed on the construction sites located in the implemented areas under ESI Scheme w.e.f. 1st August, 2015.

The ESI Scheme is financed by contributions from employers and employees. The rate of contribution by employer is 4.75% of the wages payable to employees. The employees' contribution is at the rate of 1.75% of the wages payable to an employee. Employees, earning less than Rs. 100/- a day as daily wages, are exempted from payment of their share of contribution.

Coverage

In the beginning, the ESI Scheme was implemented at just two industrial centers in the country in 1952, namely Kanpur and Delhi. There was no looking back since then in terms of its geographic reach and demographic coverage. Keeping pace with the process of industrialization, the Scheme today, stands implemented at over 830 centres in 31 States and Union Territories. The Act now applies to over 7.23 lakhs factories and establishments across the country, benefiting about 2.03 crores insured persons/ family units. As of now, the total beneficiary stands at over 7.89 crores.

Infrastructure

Ever since its inception in 1952, the infrastructural network of the Scheme has kept expanding to meet the social security requirements of an ever increasing worker population. ESI Corporation has so far set up 151 hospital and 42 hospital annexes for inpatient services. Primary and out-patient medical services are provided through a network of about 1418/140 ESI dispensaries/ AYUSH units, and 1017 panel clinics.

The Corporation has also set up five Occupational Disease Centers, one each at Mumbai (Maharashtra), New Delhi, Kolkata (W.B.), Chennai (T.N.) and Indore (M.P.) for early detection and treatment of occupational diseases prevalent amongst workers employed in hazardous industries.

For payment of Cash Benefits, the Corporation operates through a network of over 627/ 185 Branch Offices/ Pay Offices, whose functioning is supervised by 61 Regional/ Sub-Regional and Divisional offices.

Benefits under ESI Scheme

The main benefits provided under ESI Scheme are:

- Sickness Benefit
- Disablement Benefit
- Dependants' Benefit
- Maternity Benefit
- Medical Benefit

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.

ESIC – A Complete Social Security Organization for India's Workforce

The ILO defines Social Security - as "the security that society furnishes through appropriate organization against certain risks to which its members are perennially exposed. These risks are essentially contingencies against which an individual of small means cannot effectively provide by his own ability or foresight alone or even in private combination with his fellows. The mechanics of social security therefore consists in counteracting the blind injustice of nature and economic activities by rational planned justice with a touch of benevolence to temper it."

ESIC is the only Social Security Organisation in the country which covers most of the exigencies (provided in the list of ILO) which are sickness, medical care for the worker, maternity, unemployment, work injury, death of worker, invalidity and widowhood.

The ESI Scheme is based on the Gandhian principle of "contributions as per their ability and benefits as per the requirement". This principle entitles an Insured Person who is from the lower wage bracket of the society for a huge line up of benefits by paying the contribution as per the wages he is earning.

Each social security payments made under the ESI Scheme helps the insured person without putting any extra burden on his savings or earnings, during emergent medical and other contingencies. The benefits being provided by the ESI Scheme are:-

1. (a) The **Sickness Benefit** is paid to the insured person at the rate of 70% of the average daily wages up to 91 days in two consecutive Benefit periods.
- (b) **Enhanced Sickness Benefit** (for vasectomy/tubectomy) 100% of the average daily wages is payable for 14 days for tubectomy and 7 days for vasectomy extendable on medical advice.

(c) The Extended Sickness Benefit is admissible at the rate of 80% the average daily wages for 124 days during a period of two years, extendable up to two years on medical advice.

2. Under the **Disablement Benefit**, the insured person who becomes disabled due to employment injury is paid 90% of the average daily wages as long as temporary disablement lasts. For permanent or total disablement, 90 % of the average daily wages is paid for whole life and for permanent partial disablement; the Insured Person is paid proportionate to the loss of earning capacity as determined by the medical board.
3. **Dependants' Benefit** is paid at the rate of 90 % of the average daily wages sharable in fixed proportion among all dependents if the insured person dies due to employment injury. This is payable to the widow for life or until her re-marriage and also to the dependent children till the age of 25 years and also to the dependent parents, subject to conditions. In an endeavour to reach out to the beneficiaries and make the system more customer friendly, long-term benefits such as Permanent Disablement and Dependants Benefits are being credited to the bank account of the beneficiaries through ECS System.
4. The **Maternity Benefit** is paid at the rate of 100% of the average daily wages up to 12 weeks in case of confinement, up to 6 weeks in case of miscarriage. This can be extended by one month on medical advice in case of sickness arising out of pregnancy, confinement and miscarriage. The total Expenditure incurred during 2013-14 on cash benefit payments is Rs.598.69 crores from which one can assess the huge support extended by ESIC to its IPs at the time of distress, which otherwise should have put extra burden on the low income bracket of the workforce of the country
5. One of the biggest benefits extended by ESIC is **Medical Benefit** which provides 'Reasonable medical Care' (from primary OPD services, In-patient secondary services to Super Specialty Services) for self and family from day one of entering insurable employment which continues till the insured person remains in insurable employment. Treatment is provided through Allopathy and AYUSH system of medicines. ESIC Dispensaries and Hospitals are providing the necessary medical treatment. Super speciality treatment is provided through in-house super speciality facilities available in some of ESI Hospital or ESI-PGIMSRs or through large number of advance medical institutions on referral basis through more than 1000 tie-up hospitals across the Country. In such cases, ESIC makes direct payment to the hospitals without putting any financial burden on the patient or his family.

Medical Benefit is also extended to the widow/ spouse of the deceased/ retired/ superannuated Insured Persons as well as to the widow/ spouses of Insured Persons who ceases to be in an insurable employment on account of permanent disablement, and also to the widows of Insured Persons who are in receipt of Dependant's Benefit.

6. **Retirement Benefit** when an insured person who leaves the insurable employment on attainment of the age of superannuation or retires under a voluntary Retirement Scheme or

takes premature retirement, after being an insured person for not less than 5 years, shall be eligible to receive medical benefit for himself and his spouse subject to production of proof thereof, and payment of a nominal contribution of Rs.120/- (rupees one hundred and twenty only) for one year. In case, the insured person expires, his spouse is entitled to the medical benefit for the remaining period for which the contribution was made, and she can continue to receive the medical benefit on payment of the contribution of Rs.120/- (rupees one hundred and twenty only) per annum for further period.

This medical benefit is also admissible to an insured person who ceases to be in employment on account of permanent disablement caused due to employment injury for himself and his spouse on payment of similar contribution till the date on which he would have vacated the employment on attaining the age of superannuation, had not sustained such permanent disablement.

7. Other Benefits include Confinement Expenses for an Insured Woman or an IP in respect of his wife in case confinement occurs at a place where necessary medical facilities under ESI Schemes are not available, for which Rs.5000/- is paid up to two confidants only.
8. Rs. 10,000/- is paid as Funeral Expenses in case of death of an insured person.
9. Vocational Training in case of physical disablement due to employment injury for which the actual fee charged or Rs.123/- per day, whichever is higher is paid as long as the vocational training lasts.
10. **Un-employment Allowance** under RGSKY is payable in case of involuntary loss of employment due to closure of factory, retrenchment or permanent invalidity due to non-employment injury and contribution for three years prior to the loss of employment, 50 % the average daily wages is payable for a maximum period of twelve months during life time. Under RGSKY, in case of involuntary loss of employment, skill up gradation training is provided for duration of maximum 6 months, so that the IP can enhance his skill and opt for other jobs.
11. In order to encourage employment of disabled persons, the employers' share of contribution in respect of such disabled employees is paid by the Central Government for initial three years. Permanently disabled persons working in factories and establishments covered under ESI Act and drawing wages up to Rs.25,000/- per month have been brought under the scheme w.e.f.1.4.2008.

Brief description of Benefits, Contributory Conditions, Duration of Benefits and the Scale of Benefits

Benefit	Contributory Condition	Duration	Rate
SICKNESS BENEFIT			
Sickness Benefit	Payment of contribution for 78 days in corresponding contribution period.	Upto 91 days in two consecutive benefit periods.	70% of the average daily wages.
Enhanced Sickness Benefit	Same as Above	14 days for Tubectomy & 7 days for vasectomy, extendable on medical	100% of the average daily wages.

		advice.	
Extended Sickness Benefit	For 34 specified long term diseases, continuous insurable employment for two years with minimum 156 days' contribution in four consecutive contribution periods.	124 days during a period of two years. This may be extended upto two years on medical advice.	80% of the average daily wages.
DISABLEMENT BENEFIT			
Temporary Disablement Benefit	From day one of entering insurable employment for disablement due to employment injury.	As long as temporary disablement lasts.	90% of the average daily wages approx.
Permanent Disablement Benefit	From day one of entering insurable employment for disablement due to employment injury.	For whole life	For permanent total disablement - 90% of average daily wages. For permanent partial disablement- proportionate to the loss of earning capacity as determined by the medical board.
DEPENDANTS' BENEFIT	From day one of entering insurable employment in case of death due to employment injury.	For life to the widow or until her re-marriage. To dependent children till the age of 25 years. To dependant parents etc. subject to conditions.	90% of average daily wages shareable in fixed proportion among all dependants.
MATERNITY BENEFIT	Payment of contribution of 70 days in two preceding contribution periods.	Upto 12 weeks in case of confinement. Upto 6 weeks in case of miscarriage. Extendable by 1 month on medical advice in case of sickness arising out of Pregnancy, Confinement, Miscarriage	100% of the average daily wages.
MEDICAL BENEFIT	Reasonable medical facilities for self and family from day one of entering insurable employment.	Reasonable medical care till he/she remains in insurable employment	
OTHER BENEFITS			
Confinement Expenses	An Insured Woman or an I.P. in respect of his wife is eligible if confinement occurs at a place where necessary medical facilities under ESI Scheme are not available.	Up to two confinements only	Rs.5,000/- per case
Funeral Expenses	From day one of entering insurable employment	For defraying expenses on the funeral of an insured person	Actual expenses subject to a maximum of Rs.10,000/-
Vocational Training	In case of physical disablement due to employment injury	As long as vocational training lasts.	Actual fee charged or Rs.123/- a day, whichever is higher.
Physical Rehabilitation	In case of physical disablement due to employment injury	As long as person is admitted in an artificial limb centre.	100% of the average daily wages.

Unemployment Allowance (RGSKY)	In case of involuntarily loss of employment due to closure of factory, retrenchment or permanent invalidity due to non-employment injury and the contribution in respect of him have been paid/payable for a minimum of three years prior to the loss of employment	Maximum 12 months during life time	50% of the average daily wages
Skill Up gradation Training	Same as above.	For a duration of maximum 6 months	

24X7 MEDICAL HELPLINE NO.1800 11 3839 IN ALL ESIC HOSPITALS

The ESI Corporation has launched a 24x7 Helpline No.1800 11 3839 for attending the calls of Insured Persons and their family members who wish to seek advice and guidance from casualty/emergency of ESIC Hospitals. In case an Insured Persons calls on 24x7 helpline functioning at ESIC Hqrs. Office and desires to have some medical advice in emergency from a doctor, this call will be connected through conference from 24x7 helpline to the emergency of ESIC Hospital of the concerned state and the doctor available in the casualty/emergency will attend the call for needful.

REDRESSAL OF PUBLIC GRIEVANCES

The ESI Corporation has set up the Public Grievances Redressal System at all levels i.e. Hqrs. Office/Regional/Sub-Regional/Divisional/Branch Offices/ESI Dispensaries/ESI Hospitals. To ensure expeditious disposal and speedy redressal of public grievances under the ESI Scheme, various measures have been taken by the Corporation. It includes a Toll Free Helpline No. **1800-11-2526** activated at Hqrs. office. Besides the above, the following helplines have also been installed in ESIC RO/SRO to cater to local stakeholders.

Sl. No.	Name of Region	Toll Free HelplineNo.
1.	RO, Hyderabad, Andhra Pradesh	1800-425-2358
2.	RO, Guwahati, Assam	1800-345-3627
3.	RO, Patna, Bihar	1800-345-6190
4.	RO, Raipur, Chhattisgarh	1800-233-5172
5.	Goa RO, Panji	1800-233-0132
6.	RO, Ahmedabad, Gujarat	1800-233-0424
7.	RO, Faridabad, Haryana	1800-180-1475
	SRO, Gurgaon, Haryana	1800-180-2526
8.	RO, Baddi, Himachal Pradesh	1800-180-2862
9.	RO, Jammu, Jammu & Kashmir	1800-180-7029
10.	RO, Ranchi, Jharkhand	1800-345-6532
11.	RO, Bangalore, Karnataka	1800-425-0636
	SRO, Hubli, Karnataka	1800-425-0037
12.	RO, Mumbai, Maharashtra	1800-209-4599
	SRO, Pune, Maharashtra	1800-233-4143
13.	RO, Indore, Madhya Pradesh	1800-233-4414
14.	RO, Bhubaneswar, Odisha	1800-345-6712
15.	SRO, Ludhiana, Punjab	1800-180-0026
16.	RO, Puducherry, Puducherry	1800-425-7642

17.	RO, Jaipur, Rajasthan	1800-180-6266
	SRO, Udaipur, Rajasthan	1800-180-6224
18.	RO, Chennai, Tamil Nadu	1800-425-7080
	SRO, Madurai, Tamil Nadu	1800-425-2527
	SRO, Tirunelveli, Tamil Nadu	1800-425-1505
19.	RO, Dehradun, Uttrakhand	1800-180-4161
20.	RO, Kanpur, Uttar Pradesh	1800-180-5127
	SRO, Noida, Uttar Pradesh	1800-180-3181
21.	RO, Kolkata, West Bengal	1800-345-4454
	SRO, Barrackpore, West Bengal	1800-345-5985

For any other information about the ESI scheme individuals or organizations may log on to ESIC website: 'www.esic.nic.in', 'www.esic.in' or contact any of the officers of ESIC offices/ establishments. Grievances can also be reported in writing, over telephone through Toll Free Helpline, by post, Email or in person to any of the following officers.

Branch Office Level	:	Branch Manager
Dispensary Level	:	Insurance Medical Officer Incharge
Hospital Level	:	Medical Superintendent/Deputy Medical Supdt.
Regional/	:	(i) Regional Director (ii) Director/Joint Director Incharge
Sub-Regional Level	:	(iii) Public Grievance Officer
State Level	:	(i) Senior State Medical Commissioner (ii) State Medical Commissioner (iii) Director, Medical, ESI Scheme
Corporate Level (Hqrs.)	:	(i) Director General (ii) Medical Commissioner (iii) Insurance Commissioner (iv) Director (Public Grievances)

Address: ESI Corporation, PanchdeepBhawan, CIG Marg, New Delhi-110002

Website: www.esic.nic.in, www.esic.in E-mail: jd-pghq@esic.in

Phone: 011-23234092/93/98 Fax: 011-23234537 Toll Free Helpline No.: 1800 11 2526

Suvidha Samagam

In order to deal with oral, written complaints/suggestions and grievances, Suvidha Samagam is being held regularly in various field offices i.e. at RO/SRO/ESIC Hospitals on 2nd Wednesday of every month and at ESIC BO on 2nd Friday of every month.

Enhancement of exemption limit

The ESI Corporation has also decided to enhance the exemption limit from payment of employees' contribution for employees drawing wages upto Rs. 137/- per day from existing Rs. 100/- per day.

Enhancement of Permanent Disablement Benefit & Dependant Benefit Rates

The ESI Corporation has approved for enhancement of the Permanent Disablement Benefit and Dependents' Benefit Rates for its Insured Persons vide its notification dated 12.05.2015 in order to address the erosion in its real value due to inflation.

Happy Employees, Happy Employer

1. Employers are freed of all liabilities of providing medical facilities to employees and their dependants in kind or in the form of fixed cash allowance, reimbursement or actual expenses, lump sum grant or any other medical insurance policy of limited scope, unless it is a contractual obligation.

2. Employers are also exempted from the applicability of the Maternity Benefit Act and Employees' Compensation Act for employees covered under the ESI Scheme.
3. Employers are freed of any responsibility in time of physical distress of workers such as sickness, employment injury or physical disablement resulting in loss of wages, as the responsibility of paying cash benefits shifts to the Corporation in respect of insured employees.
4. Any sum paid by way of contribution under the ESI Act is deducted in computing 'Income' under the Income Tax Act.
5. Besides this, a New Inspection Policy has also been launched and integrated with Shram Suvidha Portal of the Ministry of Labour & Employment wherein 13 Central Labour Acts, DGMS and EPF Act are aligned. It aims to achieve the objective of simplifying business regulations and bringing transparency and accountability in labour inspection.

Fast and efficient Services:

- **Project 'Panchdeep':** To digitize internal and external processes and to ensure efficiency in operations, especially services to Employers and Insured Persons, ESIC has launched its IT Project 'Panchdeep'.
- **Employer Portal under 'Panchdeep':** The Employer Portal permits various transactions online without visiting any ESIC Office, saving time and avoiding the drudgery of routine paperwork. Employer and Employee Registrations are done online. The portal enables employers to file monthly contributions, generate Temporary Identity Cards and create monthly contribution challans online.
- **e-Biz Platform:** ESIC is the first entity to integrate its services (Registration of Employers via e-Biz portal of Department of Industrial Policy and Promotion of DIPP) to promote ease of business and curb transaction costs.
- Online payment of ESI Contribution by the Employer made easier via the payment gateway of State Bank of India and 58 other banks was launched on 01st April, 2015.

ESIC – 2.0: Reform Initiatives of ESIC

With a view to accelerating expansion of coverage of ESIC, ESIC has launched the 2nd Generation Reforms Agenda named "ESIC-2.0" during the inaugural session of 46th Indian Labour Conference by Shri Narendra Modi, Hon'ble Prime Minister of India on 20th August, 2015 at Vigyan Bhawan, New Delhi. Some of the salient features of ESIC 2.0 are:-

- (i) Starting ESIC Scheme in Arunachal Pradesh, Mizoram, Manipur, Andaman & Nicobar Island.
- (ii) At present, ESIC Scheme is being implemented in industrial/commercial clusters. Now, the target is to cover whole of the 393 districts, where these clusters are located.

- (iii) Covering all the construction workers under ESI Scheme.
- (iv) Opening Health Scheme for selected group of unorganized workers like rickshaw pullers/auto rickshaw drivers in selected urban/metropolitan areas.
- (v) Up-grading dispensaries to six bedded hospitals in phases.
- (vi) Providing appropriate cancer detection/treatment facilities at different levels of hospitals.
- (vii) Providing appropriate cardiology treatment facilities at different levels of hospitals.
- (viii) Providing dialysis facilities in all ESIC Model Hospitals on PPP Mode.
- (ix) Providing all possible pathological facilities in hospital premises by outsourcing or by up-grading.
- (x) Tracking each and every mother and new born child of IP family to achieve 100% immunization as well as safe delivery.
- (xi) Creating at least one Mother Child care hospital with higher facilities in every State.
- (xii) To start setting up State ESI Corporations/Societies in all States as subsidiary of ESI Corporation.
- (xiii) Electronic Health Record will be made available to the IP family members on-line. The record will also include laboratory record in digital format and there will be no need to visit the hospital for getting this information.
- (xiv) In another initiative, 24x7 medical helpline No. 1800 11 3839 have been made operational through which IP can directly talk to Doctor, in case of emergency. This helpline will be toll free and will also be available in regional languages.
- (xv) In an unique initiative under Swachh Bharat – Swasth Bharat Campaign of Hon'ble Prime Minister, besides the on-going cleanliness drive being taken up in all the ESIC hospitals, ESIC has decided that under 'Abhiyan Indradhanush' bedsheets in Hospitals will be changed every day and for each day of the week specific colour of bed sheet has been fixed based on VIBGYOR pattern, as given below:-

Day	Colour of Bedsheet
Sunday	Violet
Monday	Indigo
Tuesday	Blue
Wednesday	Green
Thursday	Yellow
Friday	Orange
Saturday	Red

- (xvi) From 20th July, 2015, every hospitals of ESIC have started to operate Special OPD every day in the afternoon from 3.00 pm to 5.00 pm for senior citizens/differently abled patients.

- (xvii) Appropriate Queue Management System in every Hospital for helping in registration and pharmacy.
- (xviii) To provide behavioral training to para-medical and other staff of the hospitals guiding them to provide due courtesy in dealing with the patients/attendants.
- (xix) To provide facility for Reception and 'May I Help You' in each hospital to guide the patients/attendants.
- (xx) To provide for a feedback system for all indoor patients.
- (xxi) To put in place proper and attractive signage's at the required places in all ESIC Hospitals for guidance and proper communications to the patients and beneficiaries.
- (xxii) To provide yoga facilities in all ESIC Hospitals.
- (xxiii) AYUSH facilities to be extended up to the dispensary level in phases.
- (xxiv) To create tele-medicine facilities for the beneficiaries in phases.

Further, ESIC has set up 8 new ESI Hospitals, 7 Postgraduate Medical Institutes & Medical Colleges, 1 Dental College, 1 Nursing College and 1 Paramedical Institute during the period.
