

Implementation of the Scheme

- **By Central Govt. Notification, to New Areas.**
- **Then Factories will be covered.**
- **By State Govt. Notification, to SHOPS, HOSPITALS, EDUCATIONAL INSTITUTIONS etc.**

APPLICABILITY TO FACTORIES

- ***FACTORIES EMPLOYED 10 OR MORE PERSONS ON ANY DAY.***

APPLICABILITY TO ESTABLISHMENTS

SHOPS, MOTOR TRANSPORT CONCERNS, CINEMAS, HOSPITALS, EDUCATIONAL INSTITUTIONS.

WHICH HAS EMPLOYED 10 OR MORE PERSONS ON ANY DAY.

Not Applicable to CA Offices

- Office of a Chartered Accountant
- ESI coverage not attracted
- M/s SINGHVI DEV and UNNI Chartered Accountants Vs ESIC 2010 LLR 275 KAR
- PITHAVADIAN and Partners Vs ESIC 2010 LLR 809 MAD
- RAMADHYAM and Co. C.A. Vs ESIC 2014 LLR 663 KAR

- **ESI Act has come into force**
- **In the entire State of Kerala**
- **w.e.f. 01-02-2017**

FACTORY MEANS

- PREMISES IN WHICH
- 10 OR MORE PERSONS
- EMPLOYED ON ANY DAY &
- A MANUFACTURING PROCESS IS BEING CARRIED OUT

EMPLOYEES COVERED

- **EMPLOYEES, WHOSE WAGES DOES NOT EXCEED Rs. 21,000/- (w.e.f. 1-1-2017)**
- **EMPLOYEE INCLUDES PERMENANT-----TEMPORARY --- CASUAL MANAGERIAL PERSONS -----TRAINEES etc**
- **ENGAGED THROUGH CONTRACTORS**
- **EMPLOYEES DEPLOYED ON**
- **REPAIR AND MAINTENANCE, BUILDING EXTENSION WORK etc**

EMPLOYEES **NOT** COVERED

- **WHOSE WAGES EXCEEDS Rs. 21,000/-**
- **WHO WORKS IN NON IMPLEMENTED AREA**
- **WHO IS ON TOUR FOR MORE THAN 7 MONTHS**
(Exempted by State Govt.)
- **APPRENTICES ENGAGED AS PER APPRENTICES ACT**
- **EMPLOYEES ENGAGED AS PER AMC**
- **PARTNERS** EVEN IF WORKING FOR WAGES
- **ESIC Vs APEX Engineering 1998 – 1 LLJ SC**
- **Ex Service Men** (Exempted by State Govt.)

WAGE CEILING FOR COVERAGE

RS. 21,000/- PER MONTH.

(w.e.f.01-01-2017)

FOR DISABLED PERSONS

RS.25,000/-

- **If no supervision by Principal Employer, Employees engaged outside by Contractor not covered.**
- **CESC Ltd Vs SUBHASH CHANDRABOSE 1992 LLR 81 (SC)**

REGISTRATION OF ESTABLISHMENT

- TO BE DONE ONLINE
- WITHIN 15 DAYS OF THE APPLICABILITY.

REG. 10B

CODE NUMBER TO BE QUOTED IN ALL
CORRESPONDENCE.

REGISTRATION OF EMPLOYEES

- BEFORE TAKING ANY PERSON INTO EMPLOYMENT REQUIRE HIM
- TO FURNISH THE PARTICULARS REQUIRED FOR THE DECLARATION FORM
- ENSURE REGISTRATION THROUGH ONLINE WITHIN *TEN DAYS*.

FAMILY INCLUDES

- Husband/Wife
- Minor Children - If receiving education up to the age of 21.
- If infirm - so long as the infirmity continues
- Unmarried Daughter
- Dependant parents
- An unmarried employee's brothers and sisters if parents are not alive

e- pehchaan Card

- T.I.Cs GENERATED THROUGH ONLINE TO BE ISSUED TO THE EMPLOYEES.
- T.I.C. RENAMED AS e- pehchaan Card
- If Aadhar Number linked it will be Permanent Identity Card.

RATES OF CONTRIBUTION

- **EMPLOYEE'S** - **1.75% OF WAGES**
- **EMPLOYER'S** - **4.75% OF WAGES**

To be rounded to the next rupee

CONTRIBUTION IN NEWLY IMPLEMENTED AREAS

- For the initial 24 months from such date of implementation,
- Employer's contribution- 3 % of the wages
- Employee's contribution- 1 % of the wages
- On completion of 24 months general rates
- W.e.f.6th October, 2016.

EMPLOYEE'S
CONTRIBUTION NOT
PAYABLE

**IF THE AVERAGE DAILY WAGES OF AN
EMPLOYEE DOES NOT EXCEED**

Rs.137/-

Proposed to enhance to Rs, 177/-

“WAGES”

- **ALL REMUNERATION PAYABLE.**
- **ANY PAYMENT FOR THE PERIOD OF LEAVE, LOCK OUT, STRIKE & LAY OFF**
- **ANY ADDITIONAL REMUNERATION PAID AT INTERVALS NOT EXCEEDING TWO MONTHS** **Sec 2(22)**

CONTRIBUTION

PAYABLE

- HOUSE RENT ALLOWANCE
- MEDICAL ALLOWANCE
- EDUCATION ALLOWANCE
- HOLIDAY ALLOWANCE
- SUBSISTENCE ALLOWANCE
- ESIC Vs POPULAR AUTOMOBILES
1997 LLR 1146 SC
- OVERTIME ALLOWANCE
- NIGHT SHIFT/HEAT/GAS/ DUST
ALLOWANCE
- INTERIM RELIEF PENDING WAGE
REVISION

NOT PAYABLE

- CONVEYANCE
ALLOWANCE
- WASHING ALLOWANCE
- ANNUAL BONUS
- WORKERS' WELFARE
SCHEME
- ENCASHMENT OF LEAVE
- PAYMENT TO
CONSULTANTS
- ANNUAL SALES
COMMISSION
- PAYMENTS AS PER AMC
- INCENTIVE BONUS OR
COMMISSION (IF PAID AT
INTERVALS OF MORE THAN
TWO MONTHS.

Conveyance Allowance not Wages

- ASIAN PAINTS Vs ESIC 2011 LLR 776 AP
- ROYAL PLASTICS Vs ESIC Kerala High Court

Washing Allowance not Wages

- ESIC Vs MERCURY TRAVELS 2007 LLR 953 MAD

Outside work not covered

- Labour for construction of compound wall
- Not attracting coverage
- ESIC Vs STANDARD POTTERY 2001 (3)
KLT 55 KERALA HIGH COURT

COMMISSION BASED EMPLOYEES NOT COVERED

- Persons Engaged On Commission basis
- For delivering Gas Cylinders not covered
- ESIC Vs TECHNICO 2001 – 1 –LLJ 365

O .T. WAGES FOR THE PURPOSE OF COVERAGE/CONTRIBUTION

- TO DETERMINE THE COVERAGE OF AN EMPLOYEE OT IS TO BE EXCLUDED
- BUT FOR THE PURPOSE OF CONTRIBUTION
- O.T. IS TO BE INCLUDED

» Sec 2(22)

COVERAGE TO CONTINUE EVEN IF WAGES EXCEEDED THE CEILING

- IF THE WAGES OF AN EMPLOYEE EXCEEDS THE LIMIT OF RS. 15,000/- IN BETWEEN A CONTRIBUTION PERIOD HE WILL CONTINUE TO BE COVERED TILL THE EXPIRY OF THAT CONTRIBUTION PERIOD

Sec 2 (9)

CONTRIBUTION ON ARREAR SALARY

- IF THE INCREASE IN THE SALARY IS DECLARED WITH RETROSPECTIVE EFFECT
- THE CONTRIBUTION TO BE PAID ONLY FROM THE DATE OF DECISION
- NO CONTRIBUTION FOR THE ARREARS OF SALARY
- RELATING TO THE PERIOD PRIOR TO THE DECISION

RECORDS TO BE MAINTAINED

- **EMPLOYEES REGISTER - Reg 32**
- **ACCIDENT BOOK – Form 12 REG 66**
- **INSPECTION BOOK – Reg 102 A**

SUBMISSION OF RETURNS

- TO SUBMIT ANNUAL INFORMATION
- IN FORM 1A
- DUE DATE 31ST January

REG. 10C

SUBMISSION OF ACCIDENT REPORTS

- IN FORM 12 TO BE SUBMITTED
- THROUGH ONLINE

WITHIN 24 HOURS IN ORDINARY CASES.

IMMEDIATELY IN SERIOUS CASES

REG. 68.

Employer to Arrange First Aid

- Employer shall arrange First Aid and Medical Care and
- Transportation for obtaining such First Aid
- Till the Insured Person is seen by the ESI Doctor
- Employer entitled to the Reimbursement of Expenses made by him – Reg 69

NO PUNITIVE ACTIONS DURING THE PERIOD OF
SICKNESS/MATERNITY ETC

- NO DISMISSAL/DISCHARGE OR PUNISHMENT

WHILE THE EMPLOYEE IS IN RECEIPT OF
SICKNESS/MATERNITY /DISABLEMENT BENEFIT OR
UNDER MEDICAL TREATMENT

SEC. 73(1)

Discharge of Employees

- Is the conditions of services allow
- Employer may discharge or reduce an employee who has been
- In receipt of disablement benefit
- For a period of six months or more
- Under medical treatment for sickness or absent from work due to illness arose out of pregnancy / delivery for more than six months
- Under treatment for any notified diseases
- For 18 months or more – Reg 98

OBLIGATION TO ALLOW AN EMPLOYEE TO ABSTAIN FROM
WORK.

- EMPLOYER BOUND TO ALLOW AN EMPLOYEE TO ABSTAIN FROM WORK
- IF HE PRODUCES A MEDICAL CERTIFICATE ISSUED BY
- AN ESI DOCTOR

JOINT LIABILITY OF EMPLOYERS

- ON TRANSFER OF AN ESTABLISHMENT
- TRANSFERER AND TRANSFEREE SHALL JOINTLY LIABLE
- FOR THE DUES UPTO TO THE DATE OF TRANSFER.

SEC 93(A)

If Leased out no Liability

- If leased out an establishment
- Transferor not liable
- To pay a contribution
- For the periods after transfer
- K C THOMAS Vs ESIC 1997 – 3 LLN 640
KERALA H. C.

ONCE COVERED – COVERD FOR EVER

- AN ESTABLISHMENT ONCE COVERED
- SHALL CONTINUE TO BE COVERED
- EVEN IF THE NUMBER OF PERSONS
FALLS BELOW 10 LATER

CLUBBED COVERAGE

- Two or more units can be clubbed for coverage
- If conditions satisfied
- General Conditions
- Integrality in Ownership
- Geographical Unity
- Financial Integrality
- Interchangeability of Employees
- Financial Dependability
- Dependability for Existence

REFUND OF CONTRIBUTION

- CONTRIBUTION PAID ERRONEOUSLY WILL BE REFUNDED IF
- APPLIED BEFORE THE COMMENCEMENT OF RELEVANT BENEFIT PERIOD

Reg 40

ENFORCEMENT

- SURVEY
- REGULAR INSPECTION
- TEST INSPECTION
- VIGILANCE INSPECTION
- JOINED INSPECTION

PUNITIVE ACTIONS

- FOR DEFAULT IN PAYMENT OF CONTRIBUTION
- INTEREST @ 12% PER ANNUM
- DAMAGES UPTO 25%
- CRIMINAL PROSECUTION
- 3 YEARS IMPRISONMENT ALONG WITH Rs.5000/- AS FINE
- NON PAYMENT OF CONTRIBUTION DEDUCTED FROM THE WAGES OF EMPLOYEES
- WILL ATTRACT SEC. 405 OF IPC AND WILL BE PUNISHABLE UPTO 3 YEARS

JUDICIAL REMEDIES

- **IF ANY DISPUTE ARISES, THE EMPLOYEES AND EMPLOYERS CAN APPROACH THE EMPLOYEES' INSURANCE COURTS**
- **IN KERALA THERE ARE SEVEN E.I. COURTS**

EXEMPTION

- APPROPRIATE GOVERNMENT CAN EXEMPT ANY ESTABLISHMENT
- FOR PERIODS NOT EXCEEDING ONE YEAR AND MAY RENEW EXEMPTION
- IF THE EMPLOYEES ARE IN RECEIPT OF BENEFITS
- SIMILAR OR SUPERIOR TO THE BENEFITS UNDER THE ESI SCHEME
- NO EXEMPTION FOR BACK PERIOD

CONTRIBUTION PERIODS & BENEFIT PERIODS

- Contribution period
- 1ST APRIL TO 30TH SEPTEMBER
- 1ST OCTOBER TO 31ST MARCH
- Benefit period
- 1ST JANUARY TO 30TH JUNE
- 1ST JULY TO 31ST DECEMBER

CONTRIBUTION PERIODS

BENEFIT PERIODS

01-04-17 To 30-09-17

01-01-18 To 30-06-18

01-10-17 To 31-03-18

1-07-18 To 31-12-18

01-04-18 To 30-09-18

01-01-19 To 30-06-19

01-10-18 To 31-03-19

01-07-2019 to 31.12.2019

MEDICAL BENEFIT

- NO CONTRIBUTORY CONDITION
- ELIGIBLE EVEN FROM THE FIRST DAY
- ELIGIBLE TO THE FAMILY ALSO
- ALL KIND OF MEDICAL TREATMENT, INCLUDING SUPER SPECIALITY TREATMENT
- RS. 10 LAKHS PER PATIENT PER YEAR

IMPROVEMENTS IN MEDICAL BENEFITS

- 58 Private hospitals recognized as referral hospitals.
- Reference procedure liberalised.
- Super speciality treatments from any hospital out side Kerala.
- Conditions relaxable.

MEDICAL BENEFIT TO I.P.S WHO LEAVES THE EMPLOYMENT

- ON SUPERANNUATION OR PRE-MATURE RETIREMENT OR DUE TO PERMANENT DISABILITY.
- MINIMUM FIVE YEARS IN INSURABLE EMPLOYMENT.
- SHOULD LEAVE AS AN INSURED PERSON.
- NO SUPERSPECIALITY BENEFIT.
- ADMISSIBLE TO INSURED PERSON & TO HIS /HER SPOUSE.
- MONTHLY CONTRIBUTION @RS. 10 PER MONTH.

SICKNESS BENEFIT

- 91 DAYS IN AN YEAR
- IF WAGES PAYABLE FOR 78 DAYS IN THE
CORESSPONDING CONTRIBUTION PERIOD
- 70% OF WAGES

EXTENDED SICKNESS BENEFIT

- Eligible for 34 notified long-term diseases.
- Up to 730 days during a period of 3 years.
- Should be in continuous employment at least for 2 years.
- Rate of benefit: 80% of wages per day.
- Conditions relaxable.

ENHANCED SICKNESS BENEFIT

Related to Family Planning operations

For Lupectomy 14 days full wages

For vasectomy 7 days full wages

Extendable if post operative
complications

MATERNITY BENEFIT

- 26 WEEKS FULL SALARY
- FOR MISCARRIAGE, 42 DAYS FULL SALARY
- EXTENDABLE BY ONE MORE MONTH, FOR SICKNESS ARISING OUT OF, PREGNANCY CONFINEMENT/ MISCARRIAGE
- IF WAGES PAYABLE ATLEAST FOR 70 DAYS IN THE PRECEEDING 2 CONTRIBUTION PERIODS
- Enhancement of Maternity Benefit from present 12 weeks to 26 weeks .
- 12 weeks of maternity benefit to the commissioning mother or adopting mother.
- W.e.f. 20.01.2017

CONFINEMENT v/s MISCARRIAGE

- Confinement = labour resulting in the issue of a **living** child or labour after 26 weeks of pregnancy resulting in the issue of a child alive or dead
- Miscarriage = expulsion of the contents of a pregnant uterus prior to or during 26th week of pregnancy.

CONFINEMENT EXPENSES

- UPTO RS. 5000/-.
- FOR THE CONFINEMENT EXPENSES OF THE INSURED WOMAN OR OF THE WIFE OF THE INSURED MAN.
- THE CONFINEMENT TO BE TAKEN PLACE WHERE NECESSARY ESI MEDICAL FACILITIES ARE NOT AVAILABLE.
- NO CONTRIBUTORY CONDITIONS.

TEMPORARY DISABLEMENT BENEFIT

- **90% OF WAGES**
- **NO LIMIT FOR BENEFIT DAYS**
- **BENEFIT SO LONG AS THE TEMPORARY DISABILITY EXISTED**
- **NO CONTRIBUTARY CONDITION**
- **ELIGIBLE EVEN FROM THE FIRST DAY OF EMPLOYMENT**

DEPENDANT'S BENEFIT

- 90% of the wages among the dependants.
- To widow, till re-marriage.
- To children, up to the age of 25.
- To widowed mother, till death.
- No contributory conditions.
- Benefits will be given as monthly pension.

RAJIV GANDHI KALYAN SRAMIK YOGANA (UNEMPLOYMENT ALLOWANCE)

- MINIMUM TWO YEARS AS AN INSURED PERSON.
- CLOSURE OF FACTORY/ RETRENCHMENT/
PERMANENT DISABILITY/ UN EMPLOYMENT
INJURY
- DURATION OF UNEMPLOYMENT ALLOWANCE HAS BEEN
INCREASED TO 24 MONTHS
- (W.E.F. 06-09-2016).

FUNERAL EXPENSES

- NO CONTRIBUTORY CONDITIONS.
- ELIGIBLE FROM THE FIRST DAY ONWARDS.
- ELIGIBLE EVEN AFTER LEAVING THE EMPLOYMENT I.E. SO LONG AS CONTINUING AS AN INSURED PERSON.
- UPTO RS. 10,000/-.

VOCATIONAL REHABILITATION PROGRAMME

FOR THE PERIOD OF STAY DAILY
STYPEND @ 123/- .
40% OR MORE L.E.C DUE TO
EMPLOYMENT INJURY.
SHOULD NOT BE IN GAINFUL
EMPLOYMENT.
NOT MORE THAN 45 YEARS AGE

STATEWIDE CORPORATIONS

- FOR ADMINISTRATIVE CONVENIENCE
- INDEPENDENT CORPORATIONS IN EACH STATE

EXPANSION OF ESI SCHEME

- NO MORE CENTREWISE COVERAGE
- ONLY DISTRICTWISE COVERAGE

Judicial Remedies

- E.I.Courts,
- Consumer Redressal Forums

ALLOWANCE FOR STAY AT ARTIFICIAL LIMB CENTRE

- SHOULD BE AN INSURED PERSON
- CASH BENEFIT EQUIVALENT TO STANDARD BENEFIT RATE.
- FOR THE FULL PERIOD OF STAY.