



Coverage

COVERAGE UNDER THE ESI ACT, 1948

The Act was originally applicable to non-seasonal factories using power and employing 20 or more persons; but it is now applicable to non-seasonal power using factories employing 10 or more persons and non-power using factories employing 20 or more persons.

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 or more persons.

The existing wage-limit for coverage under the Act, is Rs.10,000/- per month (with effect from 1.10.2006).

AREAS COVERED

The ESI Scheme is being implemented area-wise by stages. The Scheme has already been implemented in different areas in the following States/Union Territories

STATES

All the States except Nagaland, Manipur, Tripura, Sikkim, Arunachal Pradesh and Mizoram.

UNION TERRITORIES

Delhi, Chandigarh and Pondicherry

COVERAGE :

Coverage(As on 31st March, 2006)

No. of Insured Person family units	91,48,605
No. of Employees	84,00,526
Total No. of Beneficiaries	3,54,96,589
No. of Insured women	15,43,250
No. of Employers, etc	3,00,718

Adminstration



The [Employees' State Insurance Scheme](#) is administered by a Corporate body called the [Employees' State Insurance Corporation \(ESIC\)](#), which has members representing [employers](#), [employees](#), [the Central Government](#), [State Governments](#), [medical profession](#) and [the Parliament](#).

A [Standing Committee](#) constituted from among the members of the Corporation acts as the Executive Body for the administration of the Scheme.



There is also a [Medical Benefit Council](#) to advise the Corporation on matters connected with the provision of Medical Benefit.

The Director General who is the Chief Executive of the Corporation is also ex-officio member of the Corporation and of its Standing Committee.

Besides the Hqrs. Office in New Delhi, the Corporation has 23 Regional Offices and 12 sub-Regional Offices at Vijayawada, Vadodara, Surat, Hubli, Pune, Nagpur, Coimbatore, Madurai, Tirunelveli, Noida, Varanasi and Barrackpore and 844 Local Offices and Cash offices all over the country for the administration of the Scheme.

The Medical care under the Scheme is administered by State Governments, who have the statutory responsibility in this regard, except in Delhi State and Noida area of U.P. Besides, the ESI Hospital, K.K. Nagar at Chennai, ESI Hospital, Thakurpukur at Calcutta and ESI Hospital at Nagda are also being run directly by the Corporation.

Contribution

E.S.I. Scheme being contributory in nature, all the employees in the factories or establishments to which the Act applies shall be insured in a manner provided by the Act. The contribution payable to the Corporation in respect of an employee shall comprise of employer's contribution and employee's contribution at a specified rate. The rates are revised from time to time. Currently, the employee's contribution rate (w.e.f. 1.1.97) is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employees in every wage period. Employees in receipt of a daily average wage upto Rs.50/- are exempted from payment of contribution. Employers will however contribute their own share in respect of these employees.

Collection of Contribution

An employer is liable to pay his contribution in respect of every employee and deduct employees contribution from wages bill and shall pay these contributions at the above specified rates to the Corporation within 21 days of the last day of the Calendar month in which the contributions fall due. The Corporation has authorized designated branches of the State Bank of India and some other banks to receive the payments on its behalf.

Contribution Period and Benefit Period

There are two contribution periods each of six months duration and two corresponding benefit periods also of six months duration as under.

<u>Contribution period</u>	<u>Corresponding Cash Benefit period</u>
1 st April to 30 th Sept.	1 st January of the following year to 30 th June.
1 st Oct. to 31 st March	1 st July to 31 st December of the year following

Benefits

The section 46 of the Act envisages following six social security benefits :-



(a) [Medical Benefit](#)

Benefits

TYPE OF MEDICAL BENEFITS PROVIDED

The Employees' State Insurance Scheme provides full medical care in the form of medical attendance, treatment, drugs and injections, specialist consultation and hospitalization to insured persons and also to members of their families where the facility for Specialist consultation, hospitalization has been extended to the families.

For the families, this benefit has been divided into two categories as under: -

FULL MEDICAL CARE

This consists of hospitalization facilities and includes specialist services, drugs and dressings and diets as required for in-patients.

EXPANDED MEDICAL CARE

This consists of consultation with the specialists and supply of special medicines and drugs as may be prescribed by them in addition to the out-patient care. This also includes facilities for special laboratory tests and X-Ray examinations.

Apart from the curative services provided through hospitals and dispensaries, the Corporation also provides the following facilities including family welfare services.

IMMUNIZATION

The Corporation has embarked upon a massive programme of immunization of young children of insured persons. Under this programme, preventive inoculation and vaccines are given against diseases like diphtheria, pertusis, polio, tetanus, measles, mumps, rubella, tuberculosis etc.

FAMILY WELFARE SERVICES

Along with the immunization programme, the Corporation has been undertaking provision of family Welfare Services to the beneficiaries of the Scheme. The Corporation has organized these services in 180 centres besides reserving 330 beds in hospitals for undertaking tubectomy operations. So far, 828976 sterilization operation viz. 176197 vasectomies and 652779 tubectomies have been performed upto 31.3.1999. The ESI Corporation has also extended additional cash incentive to insured persons to promote acceptance of sterilization method by providing sickness cash benefit equal to full wage for a period of 7 days for vasectomy and 14 days for tubectomy. The period for which cash benefit is admissible is extended beyond the above limits in the event of any complications after Family Planning operations.

SUPPLY OF SPECIAL AIDS

Insured persons and members of their families are provided artificial limbs, hearing aids, and artificial appliances like spinal supports, cervical collars, walking calipers, crutches, wheel chairs and cardiac pace makers as a part of medical care under the Scheme.



(b) [Sickness Benefit\(SB\)](#)

1. [Extended sickness Benefit\(ESB\)](#)

Sickness Benefits

5.4 Extended Sickness Benefit (ESB)

IPs suffering from long term diseases were experiencing great hardship on expiry of 91 days Sickness benefit. Often they, though not fit for duty, pressed for a Final certificate. Hence, a provision for paying Sickness Benefit for an extended period (Extended Sickness Benefit) of upto 2 years in a ESB period of 3 years.

1. An IP suffering from certain long term diseases is entitled to ESB, only after exhausting Sickness Benefit to which he may be eligible. A common list of these long term diseases for which ESB is payable, is reviewed by the Corporation from time to time. The list was last reviewed on 5.12.99 and revised provisions of ESB became effective from 1.1.2000 and at present this list includes 34 diseases which are grouped in 11 groups as per International Classification of diseases and the names of many existing diseases have been changed as under :-

I Infectious Diseases

1. Tuberculosis
2. Leprosy
3. Chronic Empyema
4. AIDS

II Neoplasms

5. Malignant Diseases

III Endocrine, Nutritional and Metabolic Disorders

6. Diabetes Mellitus-with proliferative retinopathy/diabetic foot/nephropathy.

IV Disorders of Nervous System

7. Monoplegia
8. Hemiplegia
9. Paraplegia
10. Hemiparesis
11. Intracranial Space Occupying Lesion
12. Spinal Cord Compression



13. Parkinson's disease
14. Myasthenia Gravis/Neuromuscular Dystrophies

V Disease of Eye

15. Immature Cataract with vision 6/60 or less
16. Detachment of Retina
17. Glaucoma

VI Diseases of Cardiovascular System

18. Coronary Artery Disease:-
 - a. Unstable Angina
 - b. Myocardial infarction with ejection less than 45%

1. Congestive Heart Failure- Left , Right
2. Cardiac Valvular Diseases with failure/complications
3. Cardiomyopathies
4. Heart disease with surgical intervention alongwith complications

VII Chest Diseases

5. Bronchiectasis
6. Interstitial Lung Disease
7. Chronic Obstructive Lung Diseases (COPD) with congestive heart failure (Cor Pulmonale)

VIII Diseases of the Digestive System

8. Cirrhosis of liver with ascities/chronic active hepatitis

IX Orthopaedic Diseases

9. Dislocation of vertebra/prolapse of intervertebral disc
10. Non union or delayed union of fracture
11. Post Traumatic Surgical amputation of lower extremity
12. Compound fracture with chronic osteomyelitis

X Psychoses

13. Sub-group under this head are listed for clarification
 - a. Schizophrenia
 - b. Endogenous depression
 - c. Manic Depressive Psychosis (MDP)



d. Dementia

XI Others

1. More than 20% burns with infection/complication
2. Chronic Renal Failure
3. Reynaud's disease/Burger's disease.

1. In addition to the above list, Director General/Medical Commissioner are authorised to sanction ESB for a maximum period upto 730 in cases of rare but treatable diseases or under special circumstances, such as, adverse reaction to drugs which have not been included in the above list, depending on the merits of each case, on the recommendations of RDMC/AMO or either authorised officers running the medical scheme.

2. To be entitled to the Extended Sickness Benefit an Insured Persons should have been in continuous employment for 2 years or more at the beginning of a spell of sickness in which the disease is diagnosed and should also satisfy other contributory conditions.

3. ESB shall be payable for a period of 124 days initially and may be extended up to 309 days in chronic suitable cases by Regional Dy. Medical Commissioner/Medical Referee/Administrative Medical Officer/Chief Executive of the E.S.I. Scheme in the State or his nominee on the [report of the specialist\(s\)](#).

2. [Enhanced Sickness Benefit](#)

Sickness Benefits

Enhanced Sickness Benefits

It was introduced w.e.f 1.8.1976 as an incentive to IPs/IWs for undergoing Vasectomy /Tubectomy. Insured Persons eligible to ordinary sickness benefit are paid enhanced sickness benefit at double the rate of sickness benefit i.e., about full average daily wage for undergoing sterilisation operations for family welfare. Duration of enhanced Sickness Benefits is upto 7 days in the case of Vasectomy and upto 14 days in the case of the Tubectomy from the date of operation or from the date of admission in the hospital as the case may be. The period is extendable in case of post operative complications.

(c) [Maternity Benefit\(MB\)](#)

Maternity Benefits

Maternity Benefit is payable to an Insured Woman in the following cases subject to contributory



conditions:-

Confinement-payable for a period of 12 weeks (84 days) on production of Form 21 and 23.

Miscarriage or Medical Termination of Pregnancy (MTP)-payable for 6 weeks (42 days) from the date following miscarriage-on the basis of Form 20 and 23.

Sickness arising out of Pregnancy, Confinement, Premature birth-payable for a period not exceeding one month-on the basis of Forms 8, 10 and 9.

In the event of the death of the Insured Woman during confinement leaving behind a child, Maternity Benefit is payable to her nominee on production of Form 24 (B).

Maternity benefit rate is double the Standard Benefit Rate, or roughly equal to the average daily wage.

(d) Disablement Benefit

1. [Temporary disablement benefit\(TDB\)](#)

(a) TDB is payable to an employee who suffers employment injury (EI) or Occupational Disease and is certified to be temporarily incapable to work. "Employment Injury" has been defined under Section 2(8) of the Act, as a personal injury to an employee caused by accident or occupational disease arising out of and in the course of his employment, being in insurable employment, whether the accident occurs or the occupational disease is contracted within or outside the territorial limits of India.

b. Certificates Required for TDB:

Accident Report in form 16,

Form 8,9,10, 11 and ESIC Med.13.

c. Eligibility for TDB :

The benefit is not subject to any contributory conditions. An IP is eligible from the day he joins the insurable employment.

(a) TDB Rate is 40% over and above the normal sickness benefit rate. This works out to nearly 85% of the average daily wages.

d. Duration of TDB :

There is no prescribed limit for the duration of TDB. This is payable as long as temporary disablement lasts and significant improvement by treatment is possible. If a Temporary Disablement spell lasts for less than 3 days (excluding day of accident), IP will be paid sickness benefit, if otherwise eligible. A special point for IMOs/IMPs is that some IPs may resist taking a Final Certificate especially before 3 days for fear of loss of TDB.



2. [Permanent disablement benefit\(PDB\)](#)

Permanent Disablement Benefit (PDB)

(a) PDB is payable to an IP who suffers permanent residual disablement as a result of EI (including Occupational Diseases) and results in loss of earning capacity. The proper authority for assessing loss of earning capacity for injuries is the Medical Board and for Occupational Diseases, Special Medical Board.

(b) The duration of PDB may be for the period given by Medical Board, if assessment is provisional or for entire life if assessment is final.

(c) PDB Rate: The PDB rate is calculated as percentage of loss of earning capacity as assessed by the Medical Board/MAT/EI Court in relation to TDB. List of injuries deemed to result in permanent total disablement and percentage loss of earning capacity has been previewed in 2nd Schedule to ESIC Act, 1948. Hence, the maximum rate of PDB can be equal to the rate of TDB.

PDB amount is revised by the ESIC from time to time to adjust for inflation. The latest enhancement is with effect from 01.08.2002

(d) Commutation of PDB (Regulation 76-B): IP whose PDB has been assessed as final and who has been awarded the same at the rate not exceeding Rs.1.50 per day may apply for commutation of periodical payments of PDB into a lump-sum. When an application for commutation is made within 6 months of the date of communication of Medical Board decision periodical payments shall be commuted into a lump sum provided the total commuted value does not exceed Rs.10,000 at the time of commencement of final award. However, where such an application is made after expiry of 6 months, LO/RO will refer the case to MR/PTMR to certify whether the IP has an average expectation of life for his age. Such a certificate is issued by Medical Referee in the relevant place on RO/LO letter.

(e) Age of an IP will have to be proved to the satisfaction of the Corporation in all cases. Medical Boards assess the age of IPs who are not able to produce satisfactory proof of age and opinion of Medical Board shall be final in this regard.

(e) [Dependants' Benefit\(DB\)](#)

Dependants' Benefit(DB)

The dependants' benefit is payable to the dependants as per Section 52 of the Act read with provision of 6(A) of Section 2 in cases where an IP dies as result of EI. The age of dependants, has to be determined either by production of

Documentary evidence as specified in Regulation 80(2) or

Age certified by Medical Officer In charge of Government Hospital or Dispensary.

The minimum rate of DB w.e.f 1.1.90 is Rs.14/- per day and these rates of the DB are increased from time to time. The latest enhancement is with effect from 01.08.2002



(f) Funeral Expenses

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 Local Offices LOs/ Mini Local Offices (MLOs)/Sub Local Offices SLOs)/pay offices, subject to certain contributory conditions.

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

These includes :

- i. Rehabilitation allowance
- ii. Vocational Rehabilitation
- iii. Unemployment Allowance (Under Rajiv Gandhi Shramik Kalyan Yojana)

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