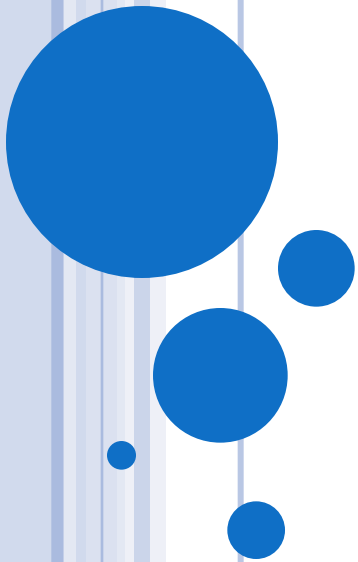


# **EMPLOYEES' STATE INSURANCE ACT, 1948**



# WHAT IS E.S.I. SCHEME

- Important measure of social security and insurance for workers
- Provides certain **Cash** and **Medical benefits** to industrial employees in case of **Sickness, Maternity** and **Employment Injury**.



# SCOPE

- Extends to whole of India
- Covers
  - Power-using factories employing 10 or more persons (non-seasonal)
  - Non-power using factories employing 20 or more persons (non-seasonal)
  - Shops
  - Hotels
  - Cinema & theaters
  - Road motor transport establishments
  - Newspaper establishments
  - Excludes mines, railways & defense establishments



- All employees
  - Manual
  - Clerical
  - Supervisory
  - Technical
- Employees getting salary up to 15000 per month
- The Act further include Maternity Benefit Act, 1961 and Workmen's Compensation Act 1923.



# CONTRIBUTIONS

- Employer – 4.75 % of total wage bill
- Employee – 1.75 % of wage
- Employees getting daily wage of < 70 Rs exempted
- State govt – 1/8 th of expenditure on medical care
- Central govt – 7/8 th of expenditure on medical care



# ADMINISTRATION

- ESI Corporation - Autonomous body
- Chairman - Union Minister of Labour
- Vice chairman – Secretary, Ministry of Labour
- Members
  - Representatives
    - Central Govt.– 5 representatives
    - State govt.- 1 from each
    - Union territories – 1 from each
    - Employee 5 representatives
    - Employer organization- 5 representatives
    - Medical profession - 2 representatives
    - Parliament -3 representatives



# ADMINISTRATION

## ○ Standing committee

- Constituted from members
- Act as executive body for administration
- Director General is Chief executive officer-  
assisted by
  - Insurance commissioner
  - Medical commissioner
  - Financial commissioner
  - Actuary



# ADMINISTRATION

- Medical benefit council – Advisory Body
  - Headed by DGHS Govt. of India
- Assisted by
  - Deputy DGHS Govt. of India
  - Medical commissioner
  - One member from each state
  - 3 representatives of employees
  - 3 representatives of employers
  - Few from medical profession – one must be woman





# ADMINISTRATION

- For day to day administration
  - 21 state wise regional offices
  - 15 sub regional offices
  - Local offices under sub regional offices
  - Local benefit council
- Inspection officers



# BENEFITS

- 1) Medical Benefit
- 2) Sickness Benefit
- 3) Maternity Benefit
- 4) Disablement Benefit
- 5) Dependant's Benefit
- 6) Funeral expenses
- 7) Rehabilitation allowance
- 8) Unemployment Allowance (Under Rajiv Gandhi Shramik Kalyan Yojana)



# MEDICAL BENEFITS

- For Insured Person
  - Full Medical Care
- For Family Members of IP
  - Restricted Medical Care
    - Includes only OPD services
  - Expanded Medical Care
    - Includes full medical care excluding hospitalization
- Other Medical Benefits
  - Dentures , spectacles, hearing aids
  - Artificial limbs
  - Special appliances – Hernia belts, Walking calipers, surgical boots, spinal braces



# MEDICAL BENEFIT

Services included	
OPD	Ante-natal, Natal & Postnatal services
Indoor	Immunization
Emergency services	Family Planning
Specialist services	Health Education
Pathological & Radiological Investigations	Ambulance
Drugs & Dressings	Domiciliary services



# ORGANIZATION OF MEDICAL CARE

## ○ Direct Pattern

- Service Dispensaries
  - Full time dispensary
  - In areas where  $> 1000$  employees' family units
- Part- time Dispensaries
  - In areas where  $< 750$  employees' family units
- Mobile Units
  - If the residential concentration of employees scattered



# ORGANIZATION OF MEDICAL CARE

## ○ Indirect Pattern

- Insurance Medical Practitioners
- Can have maximum 750 family units
- Paid remuneration on Quarterly basis



# SICKNESS BENEFIT

- Periodical cash payment to insured- when sickness is certified by insurance practitioner
- Maximum 91 days in a year
- At the rate of approx 50 % of daily wages
- **Extended Sickness Benefit**
  - Given for certain chronic diseases (34 diseases)
  - E.g. Tuberculosis, AIDS, Malignancies, CCF
  - For up to 309 days
  - After IP has been in continuous employment for 2 years
  - IP is protected from dismissal from service during this period



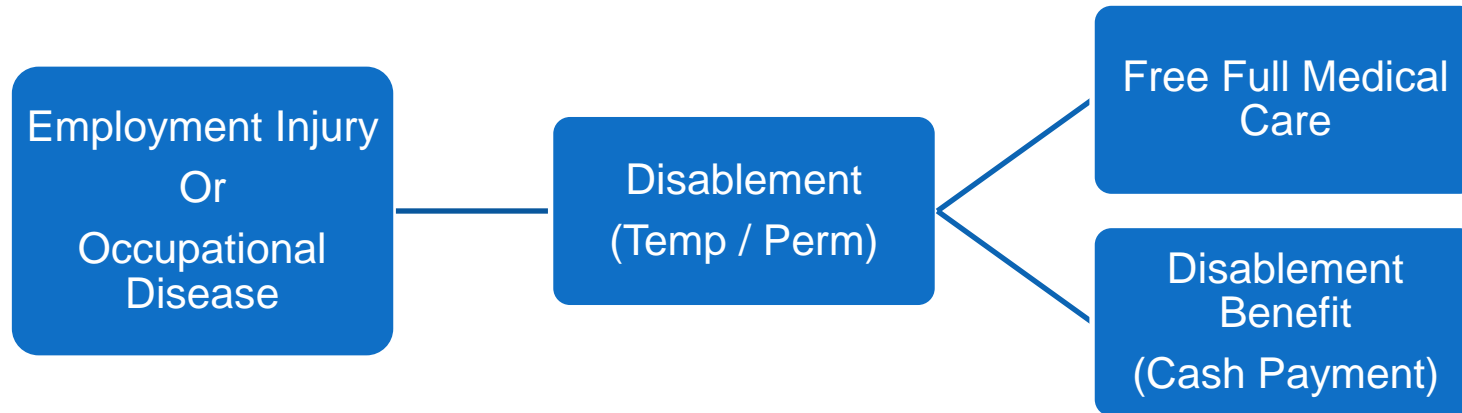
# MATERNITY BENEFIT

- For confinement/miscarriage or sickness arising out of the same
- Payable in cash to insured woman
- Duration
  - For confinement – 12 weeks
  - Miscarriage – 6 weeks
  - Sickness due to confinement – extra 30 days
- Rate
  - At full wages
- In the event of the death of the Insured Woman during confinement leaving behind a child, Maternity Benefit is payable to her nominee





# DISABLEMENT BENEFIT



- Temporary Disablingment
  - At 85 % of wages till disablingment lasts
- Total Permanent Disablingment
  - Life pension at full rate
- Partial Permanent Disablingment
  - A proportion of full rate as Life pension



## DEPENDANT BENEFIT

- In case of death of insured person due to employment injury
- Dependents of insured person are eligible for periodical payments
- Pension at rate of 70 % of the Standard Benefit Rate
- Payable to widow and children up to age of 18 years (in case of daughter benefit withdrawn if she marries earlier) in a fixed share



# FUNERAL BENEFIT

- Cash payment on death of an Insured person towards expenses on his funeral
- Maximum Rs 5000



# REHABILITATION

- Medical benefit after permanent disablement or retirement
- Available on monthly payment of Rs.10 by IP
- Available to IP and Family members



# Unemployment Allowance

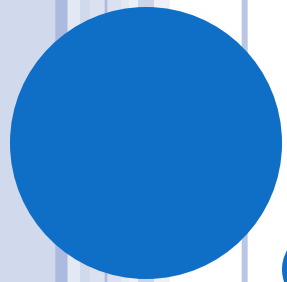
- Under Rajiv Gandhi Shramik Kalyan Yojana
- An Insured Person who become unemployed after being insured five or more years, due to closure of factory, retrenchment or permanent invalidity due to non occupational injury
- Benefits
  - Unemployment Allowance equal to 50% of wage for a maximum period of upto one year.
  - Medical care for self and family from ESI Hospitals/ Dispensaries during the period IP receives unemployment allowance.
  - Vocational Training provided for upgrading skills - Expenditure on fee/travelling allowance borne by ESIC.



## BENEFIT TO EMPLOYERS

- Exemption from Workman's Compensation Act
- Exemption from Maternity Benefit Act
- Exemption from payment of medical allowance to workers
- Rebate on Income Tax
- Healthy workforce





**THANKS.....**

