

Employee State Insurance Scheme (“ESIC”) - [Part 1 of 2]

ESI SCHEME

Employees’ State Insurance Scheme of India is a multi-dimensional Social Security Scheme tailored to provide Socio-economic protection to the 'employees' in the organized sector against the events of sickness, maternity, disablement and death due to employment injury and to provide medical care to the insured employees and their families.

- ❖ Extension on ESIC coverage Pan-India to all districts and all establishments **employing 10 or more employees** as against those in notified districts / areas only;
- ❖ Not mandatory on establishments with less than 10 employees, such establishments can obtain ESI registration voluntarily.
- ❖ The Govt. extended the ESI Act to certain specific class of establishments, such as, shops, hotels, restaurants, cinemas, preview theatres, motors transport undertakings and newspaper establishments etc., employing 20 or more persons.

APPLICABILITY IN MAHARASHTRA

The Government in Maharashtra, in its pursuit of mounting the Social Security Coverage and providing health insurance scheme to more and more people under Employee State Insurance Act (“**Act**”), 1948 as per notification dated 10th September, 2020 mandated registration of **certain establishments (stated below) wherein 10 or more persons are employed, or were employed on any day of the preceding 12 months. Date of applicability to such establishments is 01st October, 2020** under the ESIC Act. Earlier the ESIC Coverage limit for the State of Maharashtra was 20 or more employees

SIX SOCIAL SECURITY BENEFITS OF THE ESI SCHEME:

a.	Medical Benefit
b.	Sickness Benefit <ul style="list-style-type: none">❖ Extended sickness Benefit (ESB)❖ Enhanced Sickness Benefit
c.	Maternity Benefit (MB)
d.	Disablement Benefit <ul style="list-style-type: none">❖ Temporary disablement benefit❖ Permanent disablement benefit (PDB)
e.	Dependant's Benefit (DB)
f.	Funeral Expenses

In addition to, the Scheme also provides some other need-based benefits to insured workers, such as-

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

MEASURES TAKEN TO EXTEND RELIEF DURING THE COVID-19 PANDEMIC

- ❖ 13 ESIC hospitals with 1042 Beds declared as dedicated Covid-19 Hospitals.
- ❖ 1861 Isolation Beds have been made available in most of the remaining hospitals across the country.
- ❖ 555 ICU / HDU Beds with 197 Ventilators made available in these hospitals.
- ❖ 1184 Beds have been allocated in 04 ESIC Hospitals for Quarantine facility.

The ESI scheme is a self-financing scheme. The ESI funds are primarily built out of contribution from employers and employees payable monthly at a fixed percentage of wages paid

CONTRIBUTION UNDER ESIC

The Employee contributes 0.75% from his/her gross salary, whereas the Employer makes a contribution at the rate of 3.25% of the employee’s gross pay towards ESIC.

ESIC Vs. Mediclaim	
ESIC	MEDICLAIM
ESIC is a great health insurance cover for underprivileged employee class as it is offered by their employer and generally very less premium is charged to them.	Mediclaim is generally offered by large Corporate(s) to all their employees.
ESI is a statutory obligation of the Employer	Mediclaim is not a statutory obligation of the Employer.
Employees getting monthly salary upto Rs. 21,000/- are covered. Employees earning monthly salary of more than Rs. 21,000/- are not covered under ESIC. What should be counted in Monthly Salary for ESIC? - Basic + DA only.	There is no wage ceiling limit to opt for Mediclaim.
ESIC covered employees can avail the treatments in any of the ESIC Hospitals or registered hospital all over India without any extra cost. Even OPD consultations /	Health insurance will cover your (day care and in patient hospitalization expenses) at any registered hospital or clinic anywhere in India. OPD consultations / medicines are not

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medicines are also free .	covered .
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Thanks and Regards
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