

THE EMPLOYEES STATE INSURANCE ACT, 1948 (Amended as on 1984)

- Employees State Insurance Corporation (ESIC) was constituted under the Employees' State Insurance Act, 1948, and Employees State Insurance (Central) Rules, 1950. The Act is applicable to all factories including those under government other than seasonal factories. The Act was intended to provide certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provisions for certain other matters in relevant thereto.
- The ESI schemes through its hospitals and clinics have provided curative health care to workers all over India and have recently entered the area of occupational health. The ESI scheme is administered by the ESIC, and autonomous body consist of Minister for Labour, Ministry of Health, 5 representatives of Central Government, one representative each from the States and one representative from all union territories, 5 representatives of employees and 5 of employers, 2 of medical profession and 3 Members of Parliament, and Director General of Corporation. This body meets twice a year. The ESI Corporation's main function is to frame policies. The Standing Committee is an executive body and the Medical Benefit Council is an advisory body. The Director General is the Chief Executive Officer assisted by 4 principal officers - 1) Medical Commissioner, 2) Financial Advisor and Chief Accounts Officers, 3) Insurance Commissioner, and 4) Actuary.
- The Act provide power to form state level, local and regional level Medical Benefit Councils and Committees for smooth functioning. ESIC is empowered to appoint inspector to inspect factories regarding the benefits given to workers.
- Contribution: Government gives 2/3rd of administrative expenditure. State Governments share 1/8th of expenditure on medical treatment and attendance (7/8 being borne by the ESIC). Employees pay on an average 2.5% of the wages and employers contribute 5% of the wage bill.

Benefit

1) Sickness Benefit: At the rate of 7/12th of the daily average wage is given to the employee for a maximum period of 91 days in one year. In diseases like tuberculosis, leprosy, fracture, malignancy etc, the sickness benefits are extended to one year at half the rate of sickness benefits.

2) Maternity Benefit: At the rate of full wages for a period of 84 days in case of pregnancy and 6 weeks in case of miscarriage or MTP.

3) Disablement Benefit: In cash, 72% of the wages is given to the temporary disabled person during the period of disablement. In case of permanent disablement, the payment is made at the same rate for the whole of his life in the form of pension.

4) Dependent Benefit: Widow or legitimate or adopted child (up to the age of 18 years or till the daughter get married) of the diseased person gets the cash payment may be in the form of pension.

5) Funeral Benefit: An amount of Rs. 2500 is paid to the eldest surviving member for the funeral purpose.

6) Medical Benefit: All member of the worker gets the medical cover including the Outdoor treatment, domiciliary treatment facilities by the panel system, specialist services, ambulance services, and indoor services.

- The ESI Scheme is having 677 implementing centres covering 2.38 lakh of employers and 85 lakh of workers and a total of 330 lakh of beneficiaries. There are 183 hospitals and 1453 dispensaries running under this. The medical benefits are extended to retired and disabled insured persons with spouse on nominal contributions of Rs. 120.00 per annum. Many initiatives are taken by the ESI Corporation in the field of computerisation of essential services, networking of field establishments, upgradation or new opening of hospitals and diagnostic centres, procurement systems, etc.