

## **FAQ's on Employee ESI**

### **1. What is the eligibility criteria of ESI deduction?**

**Answer :** ESI deduction is mandatory for employees whose gross salary is less than Rs 21k per month.

### **2. After appraisal my gross salary increases by Rs 21000 per month, then why ESI is getting deducted from my salary?**

**Answer :** As per ESI rules, the deduction needs to be continued for between the period of April to September and October-March.

For example : Your appraisal gets done in June payroll and your Gross salary increased to Rs 21000 per month however as per ESI rules your ESI deduction needs to be continued till your Sept payroll as it falls in the period of April to September.

### **3. What will happen when I get out of ESI coverage?**

**Answer :** Once you fall out of ESI coverage, in the next month you will be added in GMI policy of the company. For which HR will share the information with Payroll Team to add the employee under GMI policy.