

Lesson 19: Employee State Insurance Act, 1948

1. Coverage of Act

Employees of establishments, companies or factories that fall within the ambit of coverage and earning wages not exceeding INR 10,000/- per month are covered under this ESIC Scheme.

2. Classes of Establishment ON ESIC Provisions Applicable

- Shops and Commercial establishments.
- Cinemas, including preview theatres.
- Hotels & Restaurants.
- Clubs.
- Newspaper establishments.
- Road Motor Transport establishments.

Note: Indian Government is empowered to extend the Scheme to any other establishment or class of establishments, commercial, industrial, agricultural or otherwise with the passage of time.

3. Registration Under Employee State Insurance Act, 1948

Registration is the process by which every employer of an establishment/ company/ organization and its every employee who are employed for wage purposes are identified for the purpose of this ESIC Scheme and their individual records are set up for them.

- **Stage 1:** To obtain the particulars about each factory/shop/establishment that can be covered under ESIC Act.
- **Stage 2:** To identify such an organization, allotment of a number i.e. Code No. is carried out by the Regional Office.
- **Stage 3:** Registration of employees of covered factories by the Regional Office and identifying such individuals by allotment of a number i.e. insurance number.

4. Contribution Rates

- Contribution Rates are as follows:
 - Employees' Contribution – 1.75 % of wages.
 - Employers' Contribution – 4.75 % of wages.

Note: the State Governments contribute 12.5 percent of expenditure on medical expenses incurred on ESIC beneficiaries in their respective States within the per capita ceiling.

- It is obligatory on the part of the employer to calculate and remit ESIC contribution that comprises of employers' share 4.75% plus employees' share of 1.75% that needs to be paid on or before 21st of the following month to the month to which the salary is related.

Note: The amount payable to the Corporation by the Principal Employer in respect of an employee is termed as Contribution.

5. Employees' State Insurance Fund

- All contributions paid and all other money received on behalf of the Corporation shall be paid into a fund called the Employees' State Insurance Fund which shall be held and administered by the Corporation.
- The Corporation may accept grants, donations and gifts from the Central or any state Government, Local authority or any individual or body whether incorporated or not for all or any of the purposes of this Act.
- All moneys accruing or payable to the said Fund shall be paid into the Reserve Bank of India or such other bank as may be approved by the Central Government to the credit of an account styled the Account of the Employees' State Insurance Fund.
- Such account shall be operated on by such officers as may be authorised by the Standing Committee with the approval of the Corporation.

6. Method of payment of contribution

The Corporation may make regulations for any matter relating or incidental to the payment and collection of contributions payable under this Act and without prejudice to the generality of the foregoing power such regulations may provide for —

- the manner and time of payment of contributions ;
- the payment of contributions by means of adhesive or other stamp affixed to or impressed upon books, cards or otherwise and regulating the manner, times and conditions in, at and under which, such stamps are to be affixed or impressed ;
- the date by which evidence of contributions having been paid is to be received by the Corporation ;
- the entry in or upon books or cards of particular of contributions paid and benefits distributed in the case of the insured persons to whom such books or cards relate;
- the issue, sale custody, production, inspection and delivery of books or cards and the replacement of books or cards which have been lost, destroyed or defaced.

7. Checklist		
S. No.	Description of Forms	Time Limit
1	Form I: Declaration Form	To be filled in by the employee with his signature or thumb impression and submit it to the employer.
2	Form I-A: Family Declaration Form	To be filled in by the employee and submitted back to the employer who shall forward the same to the appropriate office within 10 days from the date of submission by the employee.
3	Form I-B: Changes in family declaration form	To be submitted by the insured person to the employer within 15 days of such changes occurring and the employer in turn would forward the same to the appropriate office within 10 days of receipt.
4	Form 3: Return of Declaration Forms	To be sent by the employer to the appropriate office within 10 days of receipt of the filled up form.
5	Form 4: Identity Card	To be issued by the appropriate office in respect of all insured employees, and send the same to the employer, who shall issue the same to the concerned employee after obtaining the signature in the card.
6	Form 4-A: Family Identity Card	To be arranged by appropriate office and necessary family particulars added in Form 4.
7	Form 6: ESIC Return of Contributions	To be sent by the employer in qua duplicate along with receipt copies of challans to the appropriate office within 42 days of termination of related contribution period; within 21 days of permanent closure of the factory; within 7 days of the date of receipt of requisition from the appropriate office.
8	Form 7: Register of Employees	To be maintained by the employer in respect of every employee of his factory or establishment.
9	Form 8: First Certificate	This medical certificate is to be issued by the insurance medical officer during the first examination in respect of a spell of sickness or a spell of temporary disablement.
10	Form 9: Final Certificate	To be issued by the insurance medical officer, when he feels that not later than 3 days of the date of examination (other than a first certificate) the insured employee would be fit to resume duties.
11	Form 12: Sickness or Temporary Disablement Benefit	To be submitted by the insured person desirous of claiming sickness or temporary disablement benefit to the appropriate local office by post or otherwise along with appropriate medical certificates.
12	Form 14: Sickness or Temporary Disablement Benefit or Maternity Benefit for Sickness	To be submitted by the insured person or insured woman desirous of claiming sickness or temporary disablement benefit to the appropriate local office by post or otherwise along with appropriate medical certificates.
