



सत्यमेव जयते



कर्मचारी राज्य बीमा निगम  
Employees' State Insurance Corporation  
श्रम एवं रोजगार मंत्रालय, भारत सरकार  
Ministry of Labour & Employment, Govt. of India

# HEALTHY WORKFORCE PROSPEROUS INDIA

— A Guide for Employers —



## Introduction/Overview of ESIC

The Employees' State Insurance Scheme, established under the Employees' State Insurance Act of 1948, is a comprehensive social insurance program designed to provide social security to "Employees" as defined by the Act, against the impact of contingencies of sickness, maternity, disablement and death due to employment injury and to provide medical care to insured persons and their families. The ESI Act is applicable to all non-seasonal factories and establishments as per notification of appropriate Central/State Governments.

Presently, we cover 668 out of 778 districts of our country. A total of 3.62 crore Insured persons working in 22.32 lakh factories/establishments are registered under ESIC. Including family members of these IPs, the total number of beneficiaries comes around 13 Crore.

To cater to this vast number of beneficiaries, ESIC provides medical services through an extensive network of 1,590 Dispensaries, 165 Hospitals and Medical colleges, 610 branch offices and 105 DCBOs across the country.

## 1. ESIC Applicability/Coverage and Eligibility

### Coverage of Employer:

- In an area notified u/s 1(3) by the Central Government, all non-seasonal factories where 10 or more persons are employed attract coverage under Section 2(12) of the ESI Act.
- Further, according to the notification issued by the appropriate Government under Section 1(5) of the Act, State governments have extended the provisions of the act to the following establishments employing 10 or more persons (however, in few of the states the threshold limit is still 20):
  - (i) shops;
  - (ii) Hotels or restaurants not having any manufacturing activity, but only engaged in 'sales';
  - (iii) Cinemas, including preview theatres;
  - (iv) Road Motor Transport Establishments;
  - (v) Newspaper establishments (that is not covered as factory under (Sec.2(12));
  - (vi) Private Educational Institutions (those run by individuals, trustees, societies or other organizations and Medical Institutions (including Corporate, Joint Sector, trust, charitable, and private ownership hospitals, nursing homes, diagnostic centers and pathological labs).
  - (vii) Municipal bodies including Municipal Corporation (Nagar Nigam), Municipal Councils, Nagar Palika and Other Urban Local Bodies run by State Government wherein ten or more persons on casual or contractual or both, basis are employed.
- The Central Government has extended the coverage to establishments belonging to or under the control of the central government engaged in the categories cited at Sr. No.(i) (v) and Insurance Business, Non-Banking Financial Companies, Port Trust, Airport Authorities and Warehousing establishments employing 20 or more Persons

### Coverage of Employee:

- Under Section 2(9), any person employed for wages in or in connection with the work of a factory or establishments to which this act applies and drawing wages up to Rs. 21000/- per month (Rs.25,000/- for Persons with Disability) is covered under the Act. This includes directly employed by the principal employer or through an immediate employer.
- Temporary, casual and part time employees are also covered.
- Apprentices engaged under Indian Apprenticeship Act, 1961 are not covered.



- Washing allowance and Conveyance allowance are excluded from the wages.
- Overtime wages are not counted for the purpose of an employee's coverage but counted for payment of contribution.

#### **Family:**

- (i) a spouse ;
  - (ii) a minor legitimate or adopted child dependent upon the insured person ;
  - (iii) a child who is wholly dependent on the earnings of the insured person and who is –
    - (a) receiving education, till he or she attains the age of twenty-one years,
    - (b) an unmarried daughter ;
  - (iv) a child who is infirm by reason of any physical or mental abnormality or injury and is wholly dependent on the earnings of the insured person, so long as the infirmity continues ;
  - (v) dependant parents, whose income from all sources does not exceed such income as may be prescribed by the Central Government ;
  - (vi) in case the insured person is unmarried and his or her parents are not alive, a minor brother or sister wholly dependant upon the earnings of the insured person ;
- The income criteria for the purpose of category (v) above in case of dependent parents should not exceed ₹ 9,000 per month.

**Insured person:** means a person who is or was an employee, in respect of whom contributions are or were payable under this Act and who is, by reason thereof, entitled to any of the benefits provided by this Act;

## **2. Registration**

### **Registration of Employer:**

- As per the statute, every factory/ establishment, to which the Act applies, shall get itself registered within 15 days from the date of its applicability to them (Section 2A of the Act read with Regulation 10-B)
- Employer can get registered online through i. shram suvidha portal([www.shramsuvudha.gov.in](http://www.shramsuvudha.gov.in)) ii. ESI web portal [www.esic.in](http://www.esic.in)(For security and manpower agency only) iii. Employer registered with the Registrar of Companies from MCA portal after 23.02.2020 are automatically registered once they are registered under MCA
- A factory/establishment can also get registered by the RO/SRO on the basis of Survey Report from the Social Security Officer.
- A 17-digit unique identification number (Code Number) allotted to each of the factory/establishment registered under the Act.

### **Sub Code No.:**

- The employer is required to obtain a sub-code no. for each office-Head Office/Branch office/sales office/administrative office away from the premises of the factory/establishment.
- The employer can register any Branch or Sales Office through ESIC Portal using his credentials and his unique primary registration code number.

### **Registration of Employee:**

- The Employer before taking into employment shall register the insurable employee online using their credential.
- In case of first employment (the employee has not worked anywhere before joining the

## A Guide For Employers

employer), the employer has to register the employee under the ESI Scheme by submitting the details of the employee, their family members, their place of residence and that of their family members, the dispensary at which they want to avail medical treatment, etc.

- Once the registration process is completed, the employee will be allotted an insurance number, which is unique and will be valid throughout the life of the employee, even if the employee changes jobs.
- In case, the employee already has an insurance number, the employer has to enter that number and proceed with updating the details of the employee, as the insurance number is unique for each employee and is valid throughout the life of the employee, irrespective of his changing jobs.

### 3. E-Pehchan Card

- On registration every insured person (IP) is provided with an 'e-Pehchan Card' through his employer. Insurance No. and other details of the IPs are printed on it
- Insured persons can also download their e-Pehchan Card through the IP Portal/the Umang App.
- This feature is also available to the existing Ips.
- Upon downloading the e-Pehchan Card, insured persons are required to paste their photographs along with their family members and get the card countersigned by their respective employers or the designated ESIC Branch Manager.
- The e-Pehchan Card is valid for lifetime.

### 4. Aadhar Seeding:

- ESIC has also introduced Aadhaar authentication of insured persons and their family members on a voluntary basis.
- Insured Persons can seed the Aadhaar details of self and their family members in the ESIC database by themselves / their respective employers / by visiting nearest ESIC Branch Office / ESIC Camp Office setup for this purpose.
- Aadhaar details can be seeded through OTP, Biometric Authentication and facial recognition method by visiting Employer Portal / IP Portal / AAA+ App.

### 5. BENEFITS UNDER ESI SCHEME:

Sr. No.	Name of The Benefit(s)	Contributory Condition	Duration of Benefit	Quantum of Benefit
1	Medical Benefit	From entry into insurable employment and till he/she is qualified to claim sickness or maternity benefit	From entry into insurable employment and till he/she is qualified to claim sickness or maternity benefit	Full medical care in the form of medical attendance, treatment, drugs and injections, specialist consultation and hospitalization to insured persons and his/her family members It includes Primary ,secondary and Tertiary care



2	Sickness Benefit	Payment of contribution for 78 days in corresponding contribution period	Upto 91 days in two consecutive benefit periods	70% of the average daily wages
3	Enhanced Sickness Benefit	Same as above (2)	14 days for Tubectomy and 7 days for Vasectomy, extendable on medical advice	100% of the average daily wages
4	Extended Sickness Benefit	For 34 specified long-term diseases, continuous insurable employment for two years with the minimum 156 days' contribution in four consecutive contribution periods	124 days during a period of two years. This may be extended upto two years on medical advice	80% of the average daily wages
5	Temporary Disablement Benefit	From day one of entering insurable employment for disablement due to employment injury	As long as temporary disablement lasts	90% of the average daily wages
6	Permanent Disablement Benefit	From day one of entering insurable employment for disablement due to employment injury	For whole life	Upto 90% of average daily wages (in proportion to the loss of earning capacity)
7	Dependants' Benefit	From day one of entering insurable employment, paid for death due to employment injury	For life to the widow or until her re-marriage, and to dependant son till the age of 25 years, till marriage of daughter and to dependant parents etc. Subject to conditions	90% of average daily wages shareable in fixed proportion among all dependants

## A Guide For Employers

8	Maternity Benefit	Payment of contribution of 70 days in two preceding contribution periods	It is paid upto 26 weeks in case of confinement, upto two surviving children, 12 weeks for more than two surviving children, upto 12 weeks to commissioning/adopting mother, upto 6 weeks in case of miscarriage further extendable by 1 month on medical advice in case of sickness arising out of Pregnancy, Confinement, Miscarriage	100% of the average daily wages
<b>OTHER BENEFITS</b>				
1	Atal Bimit Vyakti Kalyan Yojana	In case of unemployment, cash compensation is paid to the IP subject to one year of Service completed by IP and contribution for not less than 78 days in one contribution period in 12 months immediately preceding to unemployment. (Till 30.06.2024)	90 days	50% of the average daily earning
2	Unemployment Allowance Rajiv Gandhi Shramik Kalyan Yojna (RGSKY)	In case of involuntarily loss of employment due to closure of factory, retrenchment or permanent invalidity due to non-employment injury and the contribution in respect of him has been paid/payable for a minimum of two years prior to the loss of employment	Maximum 24 months during life time	50% of the average daily wages for the first 12 months and thereafter, 25% for the last 12 months



3	Confinement Expenses	An insured woman or an I.P. in respect of his wife is eligible if confinement occurs at a place where necessary medical facilities under ESI scheme are not available	Up to two confinements only	Rs. 7,500/- per case
4	Funeral Expenses	From day one of entering insurable employment	For defraying expenses on the funeral of an insured person	Actual expenses subject to a maximum limit of Rs. 15,000/-
5	Vocational Training	In case of physical disablement due to employment injury	As long as vocational training lasts	Actual fee charged or Rs. 123/- a day, whichever is higher
6	Physical Rehabilitation	In case of physical disablement due to injury	As long as person is admitted to an artificial limb center	100% of the average daily wages
7	Vocational Rehabilitation Skill Development Scheme	In case of Unemployment Allowance under RGSKY	For a duration of maximum 6 months	
8	Medical Care to retired Insured Persons	(i) Provided to the Insured Person and his/her spouse in the ESI hospitals and dispensaries on retirement after the superannuation age or by taking retirement under the voluntary retirement plan or pre-retirement  (ii) An Insured Person who ceases to be in insurable employment on account of permanent disablement	Lifetime. Subject to the condition of minimum service of 05 years in insurable employment before the retirement	Payment of Rs. 120/- per annum after retirement



## A Guide For Employers

**Ward of IP:** Few seats have been allocated for wards of insured persons (IPs) for admissions into undergraduate (MBBS/BDS/BSc Nursing) courses in ESIC Medical Education institutions.

**Dependents and their share in DB:** The rate of dependants' benefit is 90% of the standard benefit rate of the wages of the deceased insured person. It is apportioned among the dependants as follows:

- (i) **Widow:** Till death or remarriage at 3/5th of the full rate.
- (ii) **Widowed mother** till death at 2/5th of the full rate,
- (iii) To **each child** at 2/5th of the full rate each till they attain the age of twenty five years.
- (iv) **Unmarried daughters** at 2/5th of the full rate till they get married
- (v) If the son or daughter is infirm and wholly dependent on the earnings of the insured person at the time of his death, they continue to receive the benefit even after attaining the age of 25 years/marriage as the case may be.

If the total dependants' benefit for all the dependents worked out as above exceeds at anytime, the full rate, the share of each of the dependents shall be proportionately reduced, so that the total amount payable to them does not exceed the amount at full rate. In case the deceased, Insured Person does not leave behind any of the dependents referred above, then his parents will get 3/10 share or if no parent is alive, then his paternal grant parent will get 3/10 share of full rate of dependent benefit.

### Benefits of ESIC for employers

1. Employers covered under ESI Scheme are exempted from the Maternity Benefit Act and Employees' Compensation Act for employees.
2. Employers are freed from responsibility during physical distress of workers, such as sickness, employment injury or physical disablement resulting in loss of wages, as the financial support in such contingencies is provided by the ESIC in respect of insured employees.
3. Any sum contributed under the ESI Act is deductible while computing 'Income' under the Income Tax Act.

## 6. ESIC Contributions

- The rate of contribution equals to 4 percent of the wages payable to an employee, out of which 3.25 percent is the employers' share and 0.75 percent is the employees' share.

Employers	Employees
The Employers' contribution is at the rate of 3.25% of the wages payable to employees.	The Employees' contribution is at the rate of 0.75% of the wages payable to him/her

- Contribution shall be paid in respect of an employee online through Employer's portal [www.esic.in](http://www.esic.in) 15 days from the last day of the calendar month in which the contribution falls due for any wage period (Reg. 29 & 31).
- Employees in receipt of a daily average wage up to Rs.176/- are exempted from payment of contribution. (No deduction of Employees' share of contribution from employee's salary/wages). Employers will, however, pay their own share in respect of these employees.
- The employer is exempted from payment of Employer's share of contribution on the wages paid to the employees with disabilities for a maximum period of 03 years from the date of commencement of the contribution period in which such employee with disability is employed.

**7. Filing Monthly Contribution:** Employer shall file the monthly contribution in respect of each





coverable employee online and pay the monthly contribution within 15 days of the following month. In case of failure to file and pay the monthly contribution, defaulter/prosecution action may be initiated against the defaulting employer by the ESIC.

### **8. Records to be maintained for ESI purposes:**

- Muster roll, wage record and Books of Account maintained under other laws.
- Records of immediate employer as required by the Labour Laws.
- Form-6.
- Accident Register Form-11.
- An inspection book.
- The immediate employer is also required to maintain the Employees' Register for the employees deployed to the principal employer.

### **9. Returns/reports to be submitted by the Employer:**

The Employer has to submit the following records Online:

- An annual return in Form 01 -A by 31 st January of every year showing the changes, if any, during the preceding year.
- Return of Contributions for the six months within 42 days of expiry of each contribution period, i.e. by 11th November for the contribution period ended 30th Sept., and 12th May for the contribution period ended 31 st March. (Now it is generated online on the basis of the Monthly contribution filed)
- Accident report in Form 12 in case any accident takes place, to the notice of the Accident.
- Declaration Forms in Form 1 for all the employees at the time of coverage of the unit, and thereafter as and when a new employee joins the insurable employment.
- Abstention Verification Report is required to be submitted to the Branch office as and when it is sought by the Branch Manager in respect of any IP

### **10. Responsibilities and Duties of Employers:**

- Register the factory/Establishment within 15 days from the date the act becomes applicable to the unit.
- Employers should register all coverable employees on the day of their joining under ESI Act get the unique 10 digit insurance number of every employee. Employer should preferably register all coverable employees by using his/her Aadhar.
- Issue E-Pehchan card to the IPs after their registration.
- In case, engaging services of contractors' employees, ensure they are covered directly under the principal employer or through a contractor.
- The employers themselves have been authorized to edit/upload personal particulars of employees, including family members of such employees. A change of name cannot be executed.
- Do not enroll individuals who are not associated with your establishment as members by making false declarations.
- Make the payment of Monthly Contribution within the stipulated time, i.e., within 15 days of the following month.
- Ensure that the Return of Contribution is generated in time by making regular payments (not after 42 day ending of contribution period).
- Appoint a responsible officer of your establishment as the Authorised Signatory as all actions taken by him/her will be legally binding on the employer.

## A Guide For Employers

- In all cases where the employer himself does not transact the business and relies on others, including the Authorised Signatory for doing the same, the utmost caution must be exercised, as the establishment/employer will be held responsible for all acts of omission and commission.
- Maintain confidentiality of your establishment's login credentials and do not share them with unauthorized persons.
- Assist the IPs to submit online claim whenever they are entitled to any cash benefit under this act.
- Please transact all ESIC related business only through the official website.
- Update any change in the details of the factory/establishment, its ownership, etc. online.
- Update any change in the details of IP or his/her family. This includes addition/deletion due to events, such as, marriage, birth or death online.
- Employers should seed Aadhar of all covered employees with their families at the earliest.
- Fill out Form 01 -A to the concerned authority by the 31st of January every year.
- Submit an 'Accident Report' online by using your esi login ID to the Branch Office (BO)/ESI Dispensary concerned immediately in respect of accidents that could result in death or disablement of the employee within 24 hours of its occurrence. Minor accidents that do not cause absence from work need not be reported.
- Grant leave to insured employees on the basis of sickness certificates issued by any authorized ESI doctor.
- Furnish any requisite information promptly as and when asked for by the RO/SRO/BO/any other office of the Corporation/Scheme.
- Facilitate proper inspection of factory/establishment by any authorized officer of the Corporation and produce before him all relevant records on demand.
- Intimate the date of closure or shifting (temporary or permanent) of the factory/ establishment to the RO/SRO/BO within seven days of its closure or shifting.
- Ascertain the liability towards ESI dues, while taking over the ownership of any factory/ establishment by purchase, gift, lease or license or in any other manner whatsoever as new owner is liable to discharge the past liabilities, if any.

### 11. Interest & Damages: Interest and damages are payable on delayed payment of contribution:

Period of Default	Rates of Damages	Rate of Interest
Less than 2 months	5%	Simple interest at the rate of 12% per annum for each day of the default or delay in payment of contribution.
2 months and above but less than 4 months	10%	
4 months and above but less than 6 months	15%	
6 months and above	25% (It may correspondingly go up to 100%)	

Apart from levying Interest and Damage, prosecution action u/s 85 of ESI Act, 1948 may also be initiated against the defaulting employer for non/delay payment of contributions.



## 12. Redressal of Public Grievances

The ESI Corporation has set up the Public Grievances Redressal System at all levels, i.e., Hqrs. Office/Regional/Sub-Regional/Divisional/Branch Offices/ESI Dispensaries/ESI Hospitals. Stakeholders may reach out to ESIC for grievance redressal through esic website,CPGRAM portal,Toll-Free Helpline No. 1800-11-3839 (medical services) and 1800-11-2526 for Non-Medical issues,Social Media,Umang App, email (pg-hqrs@esic.nci.in) and hard copy by post, etc.

Besides the above, we have PGO at RO/SRO and ESICH/ESICMCH levels to redress the grievances of stakeholders.

## 13. Suvidha Samagam

In order to deal with oral, written complaints/suggestions and grievances, Suvidha Samagam is held regularly in various field offices, i.e., at RO/SRO/ESIC Hospitals on 2nd Wednesday of every month and at ESIC BO on 2nd Friday of every month.

## 14. Vigilance Related Issues

For vigilance related issues, employers and employees covered under the Scheme can contact the Regional Director, ESIC of their areas or write to the: -

### Chief Vigilance Officer (Vigilance)

Employees' State Insurance Corporation, Panchdeep Bhawan, CIG Marg, New Delhi-110002

Tel.: 011-23221105/23237284, E-mail: cvohq-dl@esic.nic.in

## 15. Online Services

In ESI Corporation, bilingual (Hindi & English) Website 'www.esic.gov.in' and AAA+ esic app are already operational. The following services can be availed online by stakeholders in case of need:-

- i) Registration of employers & employees
- ii) Issuance of e-Pehchan card
- iii) Online payment of ESI Contribution by the employers or online generation of challan for payment of contributions.
- iv) Online submission of benefit claims
- v) Online submission of request to update IP as well as family particulars
- vi) Stakeholders may lodge online public grievance through CPGRAM, Govt. of India vide their Website <http://pgportal.gov.in>.
- vii) Prior online appointment for medical treatment can be booked through AAA+ app which can be downloaded through play store.

**Disclaimer:** This document is provided for informational purposes only and is not intended to serve as legal advice or a legally binding document. While every effort has been made to ensure the accuracy of the information, it may not reflect the most current developments.



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