

Employee's State Insurance Corporation

Employee's State Insurance (abbreviated as ESI) is a self-financing social security and health insurance scheme for Indian workers. This fund is managed by the Employees' State Insurance Corporation (ESIC) according to rules and regulations stipulated there in the ESI Act 1948. ESIC is an autonomous corporation by a statutory creation under Ministry of Labour and Employment, Government of India.

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History

In March 1943, B. P. Adarkar was appointed by Government of India to create a report on health insurance scheme for industrial workers. The report became the basis for the Employment State Insurance (ESI) Act of 1948. The promulgation of Employees' State Insurance Act, 1948 envisaged an integrated need based social insurance scheme that would protect the interest of workers in contingencies such as sickness, maternity, temporary or permanent physical disablement, death due to employment injury resulting in loss of wages or earning capacity. The Act also guarantees reasonably good medical care to workers and their immediate dependents. Following the promulgation of the ESI Act the Central Govt. set up the ESI Corporation to administer the Scheme. The Scheme, thereafter was first implemented at Kanpur and Delhi on 24 February 1952. The Act further absolved the employers of their obligations under the Maternity Benefit Act, 1961 and Workmen's Compensation Act 1923. The benefit provided to the employees under the Act are also in conformity with ILO conventions.

The act was initially intended for factory workers but later became applicable to all establishments having 10 or more workers. As on 31 March 2016, the total beneficiaries are 82.8 million.

ESI Act

Employees' State Insurance Corporation (ESIC), established by ESI Act, is an autonomous corporation under Ministry of Labour and Employment, Government of India. As it is a legal entity, the corporation can raise loans and take measures for discharging such loans with prior sanction of the central government and it can acquire both movable and immovable property and all incomes from the property shall vest with the corporation. The corporation can set up hospitals either independently or in collaboration with state government or other private entities, but most of the dispensaries and hospitals are run by concerned state governments.

Benefits

For all employees earning ₹21,000 or less per month as wages, the employer contributes 3.25 percent and employee contributes 0.75 percent, total share 4 percent. This fund is managed by the ESI Corporation (ESIC) according to rules and regulations stipulated there in the ESI Act 1948, which oversees the provision of medical and cash benefits to the employees and their family. ESI scheme is a type of social security scheme for employees in the organized sector.

The employees registered under the scheme are entitled to medical treatment for themselves and their dependents, unemployment cash benefit in certain contingencies and maternity benefit in case of women employees. In case of employment-related disablement or death, there is provision for a disablement benefit and a family pension respectively. Outpatient medical facilities are available in 1418 ESI dispensaries and through 1,678 private medical practitioners. Inpatient care is available in 145 ESI hospitals and 42 hospital annexes with a total of 19,387 beds. In addition, several state government hospitals also have beds for exclusive use of ESI Beneficiaries. Cash benefits can be availed in any of 830 ESI center's throughout India.

Recent years have seen an increasing role of information technology in ESI, with the introduction of "Pehchan smart cards" as a part of "Project Panchdeep". In addition to insured workers, poor families eligible under the "Rashtriya Swasthya Bima Yojana" can also avail facilities in ESI hospitals and dispensaries. ESI Corporation also runs medical, nursing and paramedical schools in some ESI hospitals across India.

Medical and dental colleges

Employees' State Insurance Corporation runs medical, dental, nursing and paramedical schools in many locations across India. Presently, there are 9 medical colleges and 2 dental colleges established by the ESI Scheme. These colleges admit students on the basis of marks obtained in the competitive examinations conducted at the central level, the National Eligibility cum Entrance Test (NEET-UG).

There are 6 medical colleges managed by the Ministry of Labour and Employment (India) under the ESI Corporation which are located at Kolkata, Faridabad, Hyderabad, Chennai, Bengaluru and Gulbarga.

The administration of the remaining 3 medical colleges have been handed over to the respective State Governments under various MoU. They were established by the ESI Corporation but are managed by the state government since inception. They are as follow:

- Shri Lal Bahadur Shastri Government Medical College & Hospital Mandi, Himanchal Pradesh
- Coimbatore ESIC Medical College, Coimbatore, Tamil Nadu
- Government Medical College, Kollam, Kerala
- The Dental Colleges run by the ESI Corporation are located in New Delhi and Gulbarga, Karnataka.
- The Government of India plans to construct 12 more ESI Medical Colleges in various cities across India in the upcoming years.

New Amendment

- The rate of contribution was reduced from 6.5% to 4% (employer's share 3.25% and employee's share 0.75%) effective from 1.7.2019.
- Employees must be registered online on the date of appointment, the online system shall allow maximum 10 days to register the new employee.

Contribution against employee must be deposited within the due date. You shall not be able to deposit contribution online after 42 days from the end date of the contribution period.

Website links

- <https://www.esic.nic.in/esi-act>