



EMPLOYEES' STATE INSURANCE SCHEME OF INDIA



CITIZENS CHARTER

A. INTRODUCTION

Employees' State Insurance Scheme of India, is an integrated social security scheme tailored to provide social protection to workers in the organised sector and their dependants in contingencies, such as, sickness, maternity or death and disablement due to an employment injury or occupational disease. The scheme tailored to suit health insurance requirements of workers provides full medical facilities to insured persons and their dependants, as well as, cash benefits to compensate for loss of wages or earning capacity in different contingencies.

B. APPLICABILITY OF THE ESI ACT

The ESI Act, (1948) applies to the following categories of factories and establishments in the implemented areas:-

- * Non-seasonal factories using power and employing ten(10) or more persons
- * Non-seasonal and non power using factories and establishments employing twenty (20) or more persons.

The "appropriate Government" State or Central is empowered to extend the provisions of the ESI Act to various classes of establishments, industrial, commercial, agricultural or otherwise in nature. Under these enabling provisions most of the State Govts have extended the ESI Act to certain specific classes of establishments, such as, shops, hotels, restaurants, cinemas, preview theatres, motors transport undertakings and newspaper and advertising establishments etc., employing 20 or more persons.

C. ORGANISATION

As provided under the ESI Act, the scheme is administered by a duly constituted corporate body called the Employees' State Insurance Corporation(ESIC). It comprises members representing Central and State Governments. Employers, Employees, Parliament and the medical profession. Union Minister of Labour functions as Chairman of the Corporation whereas Director General as chief executive discharges the duty of running the day-to-day administration.

A Standing Committee representing all stake holders is elected from the body corporate for managing the affairs of the scheme and monitoring the progress of implementation of various decisions and policies etc. from time to time.

The Medical Benefit Council, a statutory body advises the Corporation on matters related to administration of medical benefit under the ESI scheme.



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D. INFRASTRUCTURE

The central headquarters of the Corporation is located at New Delhi. For purpose of coverage, revenue collection, extension of the scheme to new classes of establishments, implementation of the scheme in new areas, co-ordination with the State Governments and general administration the Corporation has established Regional and sub-Regional Offices across the country mostly located in State capitals.

Given the huge number of beneficiaries – about 340 lakhs now – the Corporation has set up a wide spread network of service outlets for prompt delivery of benefits in cash and kind that includes full medical care.

Medical facilities are provided through a network of 1452 ESI Dispensaries, about 3000 Panel Clinics, 307 diagnostic centres besides 140 ESI hospitals and 43 hospital annexes with over 26000 beds. For providing super specialist medical care the Corporation has tie up arrangements with advanced medical institutions in the country, both in public and private sector. The medical benefit is administered with the active co-operation of State Governments.

The payment of cash benefits is made at the gross roots level through as many as 800 Branch Offices and Cash Offices that function under the direct control of the Corporation.

E. CONTRIBUTION

The ESI Scheme is mainly financed by contributions raised from employees covered under the scheme and their employers, as a fixed percentage of wages. As of now, the rates of contribution are :-

(i) Employees' Contribution : 1.75 percent of wages

(ii) Employers' Contribution : 4.75 percent of wages

* Employees' earning upto Rs.40/- a day as wages are exempted from payment of their part of contribution.

* The State Govts bear one-eighth share of expenditure on Medical Benefit within the per capita ceiling of Rs.600/- per annum and any additional expenditure beyond the ceiling.

F. WAGE CEILING

Employees of covered units and establishments drawing wages upto Rs.6500/- per month come under the purview of the ESI Act, 1948 for multi-dimensional social security benefits.

G. SOCIAL SECURITY BENEFITS, QUANTUM, SCALE AND CONTRIBUTORY CONDITIONS

Employees covered under the scheme are entitled to medical facilities for self and dependants. They are also entitled to cash benefits in the event of specified contingencies resulting in loss of wages or earning capacity. The insured women are entitled to maternity benefit for confinement. Where death of an insured employee occurs due to employment injury or occupational disease the dependants are entitled to family pension.

Various benefits that the insured employees and their dependants are entitled to, the duration of benefits and contributory conditions therefor, are as under :-



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I) MEDICAL BENEFIT

Full medical facilities for self and dependants are admissible from day-one of entering insurable employment. Whereas, the primary, out patient, inpatient and specialist services are provided through a network of Panel clinics, ESI dispensaries and hospitals, super speciality services are provided through a large number of advanced empanelled medical institutions on referral basis.

ELIGIBILITY TO MEDICAL BENEFIT

- * From day-one of entering insurable employment for self and dependants such as spouse, parents and children, own or adopted.
- * For self and spouse on superannuation subject to having completed five years in insurable employment on superannuation or in case of having suffered permanent physical disablement during the course of insurable employment.
- * The rate of contribution for superannuated/disabled IPs is Rs.120/- per annum payable in lump sum for availing full medical care for self and spouse.

II) SICKNESS BENEFIT(Cash)

Sickness Benefit is payable to an insured person in cash, in the event of sickness resulting in absence from work and duly certified by an authorised insurance medical officer/practitioner.

- The benefit becomes admissible only after an insured employee has paid contribution for at least 78 days in a contribution period of six months.
- Sickness Benefit is payable for a maximum of 91 days in two contribution periods (one year)
- Payment is to be made by the Branch Office within 7 days of certification of sickness at a standard rate which is not less than 50 per cent of the wages.

II (a) EXTENDED SICKNESS BENEFIT(Cash)

Extended Sickness Benefit is payable to insured persons for the period of certified sickness in case of specified 34 long term diseases that need prolonged treatment and absence from work on medical advice.

- For entitlement to this benefit an insured person should have been in insurable employment for atleast two years. He/she should also have paid contribution for a minimum of 156 days in the preceding four contribution periods or say two years.
- ESB is payable for a maximum period of two years on the basis of proper medical certification and authentication by the designated authority.
- Amount payable in cash as extended sickness benefit is equal to about 70 per cent of the daily wages.



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- The benefit is payable within 7 days following the submission of complete claim papers at the Branch Office concerned.

II (b) ENHANCED SICKNESS BENEFIT (Cash)

This cash benefit is payable to insured persons in the productive age group for undergoing sterilisation operation, viz. vasectomy/tubectomy.

- The contributory conditions are same as for the normal Sickness Benefit.
- Enhanced Sickness Benefit is payable to the IPs for 14 days for tubectomy and for 7 days in case of vasectomy.
- The amount payable is double the standard sickness benefit rate-that is, equal to full wages.

III MATERNITY BENEFIT(Cash)

Maternity Benefit is payable to insured women in case of confinement or miscarriage or sickness related thereto.

- For claiming the benefit an insured woman should have paid contribution for at least 70 days in two consecutive contribution periods i.e. one year.
- The benefit is normally payable for 12 weeks which can be further extended upto 16 weeks on medical grounds.
- The rate of payment of the benefit is equal to full wages or double the standard Sickness Benefit rate.
- The benefit is payable within 14 days of submission of duly authenticated the claim papers.

IV DISABLEMENT BENEFIT(Cash)

Disablement Benefit is payable to insured employees suffering from physical disablement due to employment injury or occupational disease.

- An insured person should be an employee on the date of the accident.
- Temporary disablement benefit @ 70 per cent of the wages is payable till temporary disablement lasts and is duly certified by authorised insurance medical officer.
- In case of permanent disablement, the benefit is payable for life. Amount payable is worked out on the basis of loss of earning capacity certified by a medical board.
- Disablement benefit is payable within one month of submission of the complete claim papers.

V DEPENDANTS' BENEFIT(Cash)



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Dependants benefit (family pension) is payable to dependants of a deceased insured person where death occurs due to employment injury or occupational disease.

- A widow can receive this benefit on a monthly basis for life or till her re-marriage.
- A son or daughter can receive this benefit till eighteen years of age.
- Other dependants like parents etc. can also receive this benefit under certain conditions.
- The rate of payment is about 70 per cent of the wages shareable among dependants in a fixed ratio.
- The first instalment is payable within a maximum of three months following the death of an insured person and thereafter, on a regular monthly basis.

VI OTHER BENEFITS

Some other benefits offered by the Scheme are ;-

- a) Funeral expenses on death of an I.P. subject to a maximum of a Rs.2500/-.
- b) Vocational Rehabilitation in case of disabled insured persons under 45 years of age with 40 percent or more disablement.
- c) Free supply of aids and appliances such as crutches, wheelchairs, dentures, spectacles and other such physical aids.
- d) Preventive health care services such as immunisation, family welfare services ,HIV/AIDS detection, treatment etc.

H. RIGHTS AND DUTIES OF EMPLOYERS

(a) DUTIES OF EMPLOYERS

- An employer will apply for coverage under the ESI Act, within 15 days after the Act becomes applicable to a factory or establishment.
- The employer will submit Declaration Form in respect of all coverable employees in the unit.
- The employer will collect identity cards from the Branch Office concerned and pass them on to the employees.
- The employer will deposit both employees and employers contribution as per specified rates within 21 days of the following month
- The Employer will maintain an Accident Book and submit accident reports to the Branch Office, involving insured worker(s) on the job, within 24 hours of an accident.
- The Employer will maintain all such records and registers as required under the Act and produce them for verification before authorised officers of the Corporation.



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- The employer will facilitate proper inspection of records/registers and the premises as and when required.
- The employer shall submit half-yearly Return of Contributions(RC) by 12th May/11th November every year.
- The employee shall indicate insurance number of IPs in chronological order in the return of contribution and his own code number in all correspondence.
- The employer will not make any false declaration or misrepresentation of facts, concerning the applicability of the Act, or, admissibility of benefits to employees
- The Employer will ensure that contribution is paid in respect of all contract labour, badli and casual workers drawing wages upto Rs. 6500/- a month.
- The employer will promptly report the date of closure of a factory/establishment to the ESIC Branch Office/Regional Office preferably within seven days of such closure.
- The employer will report any change in business activity, address, ownership or the management to ESIC authorities forthwith.
- An employer will also ascertain the liability towards ESI dues, while taking over the ownership of a factory/establishment through purchase, gift, lease, license or otherwise as the new owner is liable to discharge past liabilities.

(b) RIGHTS OF EMPLOYERS

- Exemption from applicability of Workmen's Compensation Act, 1923 in respect of employees covered under the scheme.
- Exemption from applicability of Maternity Benefit Act, 1961 in respect of insured women.
- Right to be represented on ESI Corporation, Medical Benefit council and other important committees of the Corporation.
- Right to be supplied requisite Forms as may be required for fulfilling any obligation under the ESI Act.
- Right to recover employees share of contribution on the spot from the wages of insured persons.
- Right to appeal to Employees' Insurance Court in case of any disputes.
- Right to seek exemption from the applicability of the Scheme in case benefits provided by the management are similar or superior to those available under the ESI Scheme.
- Right of access to all essential information concerning the applicability of the Act, benefits, contribution, inspections and other procedures.

I. SAFE GUARDS FOR INSURED EMPLOYEES

- i) Right to receive payment of any benefit under the Act shall not be transferable or assignable.



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- ii) Cash Benefits payable under the Act are not liable to attachment or sale in execution of any decree or order of any court.
- iii) Employer shall not dismiss, discharge or reduce the wages or otherwise punish a covered employee during the period he/she is in receipt of Sickness Benefit or Maternity Benefit.
- iv) By reason of his liability to pay his share of contribution under the ESI Act, no employer shall directly or indirectly reduce the wages of a covered employee.
- v) Right to register their grievances/complaints at any level for immediate redressal.

J. ROLE OF ESIC IN DELIVERY OF BENEFITS

The ESIC is to ensure that;

- The quality and quantity of benefits is as per norms and standards laid down by the Corporation for the purpose.
- The benefits are made available within the given time frame to insured persons and beneficiaries.
- No harassment is caused to the beneficiaries across the counter at the grass root level by way of word or deed.
- All requisite information, procedural guidance etc. is made available to the beneficiaries for claiming benefits.
- All types of forms etc. are made available to the beneficiaries free of cost as may be required by them for filing claims etc.
- No beneficiary is exploited at any level in the process of delivery of benefits.
- Office hours as notified for ESIC/ESIS establishments are strictly adhered to by the staff so as to avoid any inconvenience being caused to the beneficiaries in smooth flow of benefits.
- Drugs, dressings, injections etc. as prescribed by the authorised doctors are made available timely.

K. ROLE OF ESIC IN SERVICING EMPLOYERS

- To develop a responsive, purposive and productive relationship with employers.
- Seek their active involvement in the improvement of the scheme as a confidence building measure.
- Provide them necessary guidance in fulfilling their lawful obligations under the ESI Act.
- Make available to them requisite Forms and proformae as may be required by them from time to time.



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- To ensure that any lax medical certification on part of ESIC does not bring down the productivity of a factory or establishment.
- To ensure that in case of any difficulty, doubt or misunderstanding employer is given a chance to be heard at an appropriate level.
- To ensure that all correspondence emanating from the employer is responded to, timely and objectively.
- To ensure that an employer is not being harassed by any official of the Corporation authorised to inspect the premises or the records.
- To ensure that any grievances received from employers are looked into promptly and pointedly for speedy redressal.

L. REDRESSAL OF PUBLIC GRIEVANCES.

ESI Scheme, being a multi-discipline service intensive social security programme for workers, an estimated 3.5 lakh beneficiaries visit the service outlets at the grassroots level daily either for treatment or for availing cash benefits. In such a highly interactive and dynamic system there is sufficient scope for any inadvertent or wilful harassment being caused to the beneficiaries.

The Corporation has, therefore, set up an elaborate system for speedy redressal of public grievances and complaints at various levels as under:-

BRANCH OFFICE LEVEL	Manager, Incharge of Branch Office.
DISPENSARY LEVEL	IMO Incharge.
HOSPITAL LEVEL	Medical Supdt./Dy.Med.Supdt.
REGIONAL LEVEL	> Public Grievance Officer. > Regional Director ESIC. > Director Medical ESI Scheme.
CORPORATE LEVEL	Director Public Grievances, ESI Corporation, Kotla Road, New Delhi-110002. 011-23239424/23234092

M. VIGILANCE RELATED ISSUES

For vigilance related issues Employers and Employees covered under the scheme can contact the Regional Director ESIC of their area or write to:-

Chief Vigilance Officer,
Employees' State Insurance Corporation,
Kotla Road, New Delhi-110002.
Tel: 011-23239987/ 23234092 (Extn.224).