



Social Security Benefits under Employees' State Insurance Scheme

N. Srinivasa Rao, LL.M., Research Scholar, Department of PG Studies and Legal Research, Acharya Nagarjuna University, Nagarjuna Nagar, Guntur, A.P.

Abstract: *The administration of Medical Benefit is taken care of by the respective State Government except in case of Delhi and Noida / Greater Noida area in Uttar Pradesh where the Corporation administers medical facilities directly. The Corporation has taken over the administration of 151 ESI Hospitals in various States for developing them as ESIC Model Hospitals and also entered into Medical Education field by opening various PG institutes and also on the advanced stages of opening a number of ESI Medical colleges across India to strengthen the delivery of medical benefits to ESI beneficiaries.*

Key words: Corporation, administers, Education

Introduction

The promulgation of Employees' State Insurance Act by the Parliament, in 1948 was the first major legislation on comprehensive Social Security for workers in independent India. The Act envisages social protection of workers deployed in the organized sector in conceivable contingencies, such as sickness, maternity and death or disablement due to employment injury and occupational disease. Based on the principal of "Pooling of Risks and Resources", the unique, multidimensional health insurance scheme guarantees a fair deal to the covered members by providing full medical facilities to the beneficiaries, besides, adequate cash compensation to insured persons for loss of wages or earning capacity in times of physical distress arising out of sickness or employment injury (including commuting accidents) or unemployment.

Abstract:

Administration:

The comprehensive and multi-pronged social security programme is administered by an apex corporate body called the Employees' State Insurance Corporation. It comprises members representing vital interest groups, including, employees, employers, the Central and State Government, representatives of Parliament and medical profession. The Corporation is headed by the Union Minister of Labour, as its Chairman, whereas the Director General, appointed by the Central Government functions as its Chief Executive Officer. The broad based corporate body is, primarily, responsible for coordinated policy planning and decision making for growth, development and efficacy of the scheme. A Standing Committee, constituted from among the members of the Corporation, acts as an Executive Body. The Medical Benefit Council, constituted by the Central Government, is yet another Statutory Body that advises the Corporation on matters related to effective delivery of medical services to the Beneficiary Population.



The Corporation, with its Central Headquarters at New Delhi, operates through a network of 61 Regional, Sub- Regional and Divisional Offices located in various States.

The administration of Medical Benefit is taken care of by the respective State Government except in case of Delhi and Noida / Greater Noida area in Uttar Pradesh where the Corporation administers medical facilities directly. The Corporation has taken over the administration of 151 ESI Hospitals in various States for developing them as ESIC Model Hospitals and also entered into Medical Education field by opening various PG institutes and also on the advanced stages of opening a number of ESI Medical colleges across India to strengthen the delivery of medical benefits to ESI beneficiaries.

Applicability

Under Section 2(12) the Act is applicable to non-seasonal factories employing 10 or more persons.

ESIC at a Glance

Details	Whole India (31.3.2013)	Goa Region(31.3.2015)
No. of Insured Person/ family units	18582000	165456
No. of Employees	16504500	137471
Total No. of Beneficiaries	72098160	640000
No. of Employers, etc	666161	4904

Finance

ESI Scheme, like most of the Social Security Schemes the world over, is a self financing health insurance scheme. Contributions are raised from covered employees and their employers as

Under Section 1(5) of the Act, the Scheme has been extended to shops, hotels, restaurants, cinemas including preview theatres, road-motor transport undertakings and newspaper establishments employing **10** or more persons.

Further, under section 1(5) of the Act, the Scheme has been extended to Private Medical and Educational institutions employing 10 or more persons in most of the States/UTs .In Goa state, ESI Scheme is yet to be notified to Private Medical and Educational institutions

The existing wage limit for coverage under the Act is Rs. 15,000/- per month (w.e.f. 01/05/2010).

Areas Covered

The ESI Scheme is being implemented area-wise by stages. The Scheme has already been implemented in most of the areas in the various States/Union Territories of Indian Union. Entire territory of Goa state is notified under ESI Scheme at present.

a fixed percentage of wages. As of now, covered employees contribute 1.75% of the wages, whereas, the employers contribute 4.75% of the wages, payable to their employees. Employees earning upto Rs.100/- a day are exempted from



payment of their share of contribution. The State Governments, as per provisions of the Act, contribute 1/8th of the expenditure of medical benefit within a per capita ceiling of Rs. 1500/- per Insured Person per annum. Any additional expenditure incurred by the State Governments, over and above the ceiling and not falling within the shareable pool, is borne by the State Governments concerned.

Contribution

E.S.I. Scheme being contributory in nature, all the employees in the factories or establishments to which the Act applies shall be insured in a manner provided by the Act. The contribution payable to the Corporation in respect of an employee shall comprise of employer's contribution and employee's contribution at a specified rate. The rates are revised from time to time. Currently, the employee's contribution rate (w.e.f.

Contribution Period and Benefit Period

There are two contribution periods each of six months duration and two corresponding benefit periods also of six months duration as under.

Contribution period and Corresponding Cash Benefit period	
Contribution Period	Cash Benefit Period
1 st April to 30 th Sept	1 st Jan of the following year to 30 th June
1 st Oct to 31 st March of the year	1 st July to 31 st December following

Benefits

The section 46 of the Act envisages following six social security benefits :-

(a) **Medical Benefit:** Full medical care is provided to an Insured person and his family members from the day he enters insurable employment. There is no

1.1.97) is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employees in every wage period. Employees in receipt of a daily average wage upto Rs.100/- are exempted from payment of contribution. Employers will however contribute their own share in respect of these employees.

Collection of Contribution

An employer is liable to pay his contribution in respect of every employee and deduct employees contribution from wages bill and shall pay these contributions at the above specified rates to the Corporation within 21 days of the last day of the Calendar month in which the contributions fall due. The Corporation has authorized designated branches of the State Bank of India and some other banks to receive the payments on its behalf.

ceiling on expenditure on the treatment of an Insured Person or his family member. Medical care is also provided to retired and permanently disabled insured persons and their spouses on payment of a token annual premium of Rs.120/- .

1. System of Treatment
2. Scale of Medical Benefit



3. Benefits to Retired IPs
4. Administration of Medical Benefit in a State
5. Domiciliary treatment
6. Specialist consultation
7. In-Patient treatment
8. Imaging Services
9. Artificial Limbs & Aids
10. Special Provisions
11. Reimbursement

(b) **Sickness Benefit (SB):** Sickness Benefit in the form of cash compensation at the rate of 70 per cent of wages is payable to insured workers during the periods of certified sickness for a maximum of 91 days in a year. In order to qualify for sickness benefit the insured worker is required to contribute for 78 days in a contribution period of 6 months.

1. **Extended Sickness Benefit(ESB):** SB extendable upto two years in the case of 34 malignant and long-term diseases at an enhanced rate of 80 per cent of wages.
2. **Enhanced Sickness Benefit:** Enhanced Sickness Benefit equal to full wage is payable to insured persons undergoing sterilization for 7 days/14 days for male and female workers respectively.

(c) **Maternity Benefit (MB):** Maternity Benefit for confinement/pregnancy is payable for three months, which is extendable by further one month on medical advice at the rate of full wage subject to contribution for 70 days in the preceding year.

(d) Disablement Benefit

1. **Temporary disablement benefit (TDB):** From day one of entering insurable employment & irrespective of having paid any contribution in case of employment injury. Temporary Disablement Benefit at the rate of 90% of wage is payable so long as disability continues.

2. **Permanent disablement benefit (PDB):** The benefit is paid at the rate of 90% of wage in the form of monthly payment depending upon the extent of loss of earning capacity as certified by a Medical Board

(e) **Dependants' Benefit (DB):** DB paid at the rate of 90% of wage in the form of monthly payment to the dependants of a deceased Insured person in cases where death occurs due to employment injury or occupational hazards.

(f) **Other Benefits Funeral Expenses :** An amount of Rs.10,000/- is payable to the dependents or to the person who performs last rites from day one of entering insurable employment.
Confinement Expenses: An Insured Women or an I.P. in respect of his wife in case confinement occurs at a place where necessary medical facilities under ESI Scheme are not available. Rs. 5000/- per case for two confinements only.

In addition, the scheme also provides some other need based benefits to insured workers.

Vocational Rehabilitation: To permanently disabled Insured Person for undergoing Vocational Rehabilitation Training at VRS.

Physical Rehabilitation: In case of physical disablement due to employment injury.

Old Age Medical Care: For Insured



Person retiring on attaining the age of superannuation or under VRS/ERS and person having to leave service due to permanent disability insured person & spouse on payment of Rs. 120/- per annum.

Rajiv Gandhi Shramik Kalyan Yojana : This scheme of Unemployment allowance was introduced w.e.f. 01-04-2005. An Insured Person who become unemployed after being insured three or more years, due to closure of factory/establishment, retrenchment or permanent invalidity are entitled to :-

- Unemployment Allowance equal to 50% of wage for a maximum period of upto one year.
- Medical care for self and family from ESI Hospitals/Dispensaries during the period IP receives unemployment allowance.
- Vocational Training provided for upgrading skills - Expenditure on fee/travelling allowance borne by ESIC.

Incentive to employers in the Private Sector for providing regular employment to the persons with disability:

- Minimum wage limit for Physically Disabled Persons for availing ESIC Benefits is 25,000/-
- Employers' contribution is paid by the Central Government for 3 years.

Benefits & Contributory Conditions:

An interesting feature of the ESI Scheme is that the contributions are related to the paying capacity as a fixed percentage of the workers' wages, whereas, they are provided social security benefits according to individual needs without distinction. Cash Benefits are disbursed by the Corporation through its Branch Offices (BOs) / Pay Offices (POs), subject to certain contributory conditions.

ESI Scheme-a total social security for workmen :		
1.	Medical Care	Primary, Secondary and Tertiary medical care with no cap on individual expenditure.
2.	Sickness Benefit	91 days
3.	Extended Sickness Benefit	730 days (upto 2 years) for specified 34 diseases
4.	Maternity Benefit	84 days+1 month (due to complications arising out to pregnancy, confinement, premature birth of child etc.
5.	Permanent Disablement Benefit/Temporary Disablement Benefit	Based on loss of earning capacity/as long as the disability lasts.
6.	Dependents Benefit	On the death of IP to the wife till she is alive/remarried and to family members as per conditions w.r.t age/marriage.



7.	Rajiv Gandhi Shramik Kalyan Yojana (Unemployment Allowance)	50% of daily average wages upto 12 months unemployment on account of closure of factories, retrenchment or permanent invalidity of not less than 40% arising out of non employment injury.
8.	Incentive Scheme to employers for employing persons with disabilities	The employers' share of contribution is paid by government for 3 years for providing employment to persons with disabilities drawing monthly wages upto Rs. 25,000/-
9.	Medical Care to Retired IPs	Medical facility available within ESIC on payment of Rs. 120/- per annum.

Conclusion:

Thus the ESI Scheme is providing comprehensive social security benefits to the workers in organized sector. These benefits should also be extended to the unorganized sector employees. Employees' State Insurance Scheme revolutionises your economic angst and becomes your friend in need and suffering, by providing the health protection and income preservation in unforeseen contingencies like sickness,

disablement, death due to employment injury and other issues that need medical aid such as like maternity. Through this scheme, the government displays its commitment to the welfare of workers and the creation of a safe and healthy workplace environment in the Country.

References

C M Abraham. Sociology for Nurses : A Textbook for Nurses and Other Medical Practitioners. Retrieved 23 August 2013.