

# ESIC

June 5, 2020

- Employee State Insurance scheme is an integrated measure of social Insurance embodied in the Employees' State Insurance Act, 1948.
- The ESI Corporation ***extends health insurance and medical services*** to all those establishment which have 10 or more workers and all those employees whose monthly wages are up to Rs 21,000.
- The EPFO covers all those firms that have 20 or more employees. Workers whose basic wages are up to Rs 15,000 per month at the time of joining the job are mandatorily covered under the scheme



- The ESI scheme is applicable to all factories and other establishments as defined in the Act with 10 or more persons employed in such establishment and the beneficiaries' monthly wage does not exceed Rs 21,000 are covered under the scheme.
- The scheme under the act also supports restaurants, motor road transports, newspaper establishments and undertakings, movies and purview theatres, hotels, shops.
- The threshold for coverage of establishment is 20 employees in Maharashtra and Chandigarh.

## What are the benefits?

- The benefits under this scheme are categorized under two categories, 1) cash benefits (which include sickness, maternity, disablement (temporary and permanent), funeral expenses, rehabilitation allowance, vocational rehabilitation and medical bonus) and, 2) non-cash benefits through medical care.

**Funding:**

- The scheme is self-financing and being contributory in nature. The funds under the ESI scheme are primarily built out of the contribution from the employees and employers payable monthly at a fixed percentage of wages paid.