

**FREQUENTLY
ASKED
QUESTIONS
ON
ESI SCHEME**

**This booklet is only for awareness
purpose and can't be referred/ quoted
as legal document**

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EMPLOYER & EMPLOYEE RELATED

1. What is ESI Scheme?

It is a comprehensive Social Security Scheme designed to accomplish the task of socially protecting the 'employees' in the organized sector against the events of sickness, maternity, disablement and death due to employment injury and to provide medical care to the insured employees and their families.

2. How does the scheme help the employees?

The scheme provides full medical care to the employee registered under the scheme during the period of his incapacity for restoration of his health and working capacity. It provides financial assistance to compensate the loss of his/ her wages during the period of his abstention from work due to sickness, maternity and employment injury. The scheme provides medical care to his/her family members also.

3. Who administers the ESI Scheme?

The ESI Scheme is administered by a corporate body called the 'Employees' State Insurance Corporation' (ESIC), which has members representing Employers, Employees, the Central Government, State Government, Medical Profession and the Parliament. The Director General is the Chief Executive Officer of the Corporation and is also an ex-officio member of the Corporation.

4. What are the other bodies of the ESI Corporation?

At the National level, the Standing Committee (a representative body of the Corporation) for administering the affairs of the Corporation, and the Medical Benefit Council, a specialized body that advises the Corporation on administration of Medical Benefit, are functioning.

At the Regional Level, the Regional Boards and Local Committees have been constituted to review the functioning of the scheme and make suggestions for its improvement.

5. How the Scheme is funded?

The ESI scheme is a self financing scheme. The ESI funds are primarily built out of contribution from employers and employees payable monthly at a fixed percentage of wages paid. The State Governments also contribute 1/8th share of the cost of Medical Benefit.

6. Implemented Area

ESI Scheme is implemented in phases in different part of the country through Gazette notification after making the infrastructure available towards dispensation of medical as well as other benefits provided under the provisions of the Act to the prospective beneficiary.

7. What are the establishments that attract coverage under ESI?

According to the notification issued by the appropriate Government (Central/State) concerned under Section 1(5) of the Act, the following establishments employing 10 or more persons attracts ESI coverage.

- (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) News paper 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, pathological labs).

In some states coverage is for 20 or more employees for wages. A few State Governments have not extended scheme to Medical & Educational Institutions.

REGISTRATION PROCEDURE

8. What is registration of Factory/ Establishment?

Registration is the process, by which every factory/ establishment, to which the Act applies, is identified for the purpose of the ESI Scheme, and their individual records are set up for them.

9. Is it mandatory for the Employer to register under the scheme?

Yes, it is the statutory responsibility of the employer under Section 2 –A of the Act read with Regulation 10-B, to register their Factory/ Establishment under the ESI Act within 15 days from the date of its applicability to them.

10. What is the procedure for Registration of an employer?

The Factory or Establishment to which the Act applies is to be registered by logging into ESIC Portal i.e. www.esic.in. The employer is supposed to sign up, providing company name, principle employer's name, State and region as well as e mail address. The employer trying to register would get a password into his mail id. The employer can log in to www.esic.in and his mail ID can be used as user ID and the password received has to be accessed from the mail box to be used to register his unit by providing information in the Portal. Automatically a 17 digit code number is generated after successful registration.

11. What is a Code number?

It is a 17 digit unique identification number allotted to each of the factory/establishment registered under the provisions of the Act. Such a number is generated through ESIC portal on submission of the pertinent information by the employer or generated on receipt of Survey report from the Social Security Officer.

12. What is a Sub-code number?

This is also a unique identification number allotted to a sub-unit, branch office, sales office or Registered Office of a covered factory or establishment located in the same State or different State. The employer can register any Branch or Sales Office through ESIC Portal using his credentials.

13. Can a factory or establishment once covered go out of coverage if the number of persons employed therein goes down to the minimum limit prescribed?

Once a factory or an Establishment is covered under the Act, it continues to be covered notwithstanding the fact that the number of persons/ coverable employees employed therein at any time falls below the required limit or there is a change in the manufacturing activity.

14. Is there any provision for 'exemption of a factory or establishment' from ESI coverage?

Of course exemption is permissible from operation of provisions of the Act subject to the condition that the employees in a factory or establishment covered are other-wise in receipt of benefits substantially similar or superior to those provided under the ESI Act. The appropriate Government may grant exemption to such factory or establishment for a period of one year at a time prospectively in consultation with ESI Corporation. Application for renewal is to be made three months before the date of expiry of the period exemption.

15. If the wages of an employee exceeds Rs. 15,000 in a month, can he be treated as not covered and deduction of contribution from his wages is stopped?

If the wages of an employee (excluding remuneration for overtime work) exceeds the wage limit prescribed by the Central Government after start of contribution period, he continues to be an employee till the end of that contribution period and hence contribution is to be deducted and paid on the total wages earned by him.

16. What is the effect of increase in wages from a retrospective date?

In case the wages of an employee is increased from a retrospective date resulting in crossing the wage limit prescribed, its effect on coverage of that employee is only after expiry of the Contribution period during the currency of which such increase is announced or declared. The contribution on enhanced wages is also payable from the month in which such increase is announced. There is no need to pay the contribution on the arrears for the period prior to the month of declaration/ announcement/ agreement.

17. Why contribution should be paid on the total wages beyond the wage ceiling limit when an employee crosses the wage limit prescribed by the Central Government?

An employee who crosses the prescribed ceiling limit in any month at any time after commencement of the contribution period, he/she would continue to be an employee till the end of that contribution period.

Though there is a ceiling limit of wages for coverage of an employee, there is no ceiling limit in the definition of wages for payment of contribution. Hence, contribution is payable on the total wages without any ceiling limit.

18. Why over-time is to be excluded for wage ceiling limit for coverage of an employee?

Overtime is not a regular and continuous payment, but it is of an occasional nature. If overtime is also taken for wage limit for coverage of an employee, he may be going out of coverage for some time and again coming within the orbit of the scheme, when overtime is not there. This frequent interruption from the scheme deprives him of the benefits admissible under the scheme even after making payment of contribution for a part of contribution period. To ensure continued security and protection, overtime is excluded for determining the wage ceiling for coverage of an employee. However, it is included for payment of contribution to cover the risk during the period he was on overtime work, and to enable him to draw cash benefits at an enhanced rate also.

19. Is there any provision for exemption from payment of Employer's contribution?

With effect from 1-4-2008, the wage ceiling limit for coverage of employees with disability has been raised to rupees twenty five thousand a month. To encourage the employers for employing more employees with disability, the employer is exempted from payment of Employer's share of contribution on the wages paid to the employees with disability for a maximum period of three years from the date of commencement of the contribution period in which such employee with disability is employed. The Central Government shall reimburse this Employer's contribution to the ESI Corporation.

20. What is the time limit for payment of contribution?

Contribution shall be paid in respect of an employee in to a bank duly authorized by the Corporation within 21 days of the last day of the calendar month in which the contribution falls due for any wage period (Reg. 29 & 31).

21. What is the manner of working out & payment of contributions?

The employer needs to file monthly contributions online through ESIC portal on a monthly basis in respect of all its employees after duly registering them. Through this exercise, the employer has to file employee wise number of days for which wages paid & the amount of wages paid respectively to ascertain the amount of contributions payable.

The total amount of contribution (both the shares) in respect of all the employees for each month is to be deposited in any branch of SBI in cash or by cheque or demand draft on generation of such a challan through ESIC portal using credentials. Contributions can be paid online through SBI internet banking too.

22. What are consequences of non / late payment of employees' contribution deducted but not paid?

Any sum deducted by the Principal employer from wages under the ESI Act shall be deemed to have been entrusted to him by the employee for the purpose of paying the contribution in respect of which it was deducted (Sec. 40(4)). Non-payment or delayed payment of the Employee's contribution deducted from the wages of the employee amounts to 'Breach of trust' and is punishable under IPC 406.

23. Will the delayed payment attract any interest?

An employer who fails to pay the contribution within the limit prescribed under Regulation 31, shall be liable to pay simple interest at the rate of 12% per annum in respect of each day of default or delay in payment of contribution (Regulation 31-A).

24. What are the penal provisions for non-payment or delayed payment of contribution?

1. The employer is liable for prosecution under Section 85(a) and 85 A of the Act.
2. The Corporation may levy and recover damages at the following rates, not exceeding the amount of contribution payable for default or delay in payment of the contribution.

Period of delay	Rate of damages in % p.a.
i) Less than 2 months	5 %
ii) 2 to 4 months	10 %
iii) 4 to 6 months	15 %
iv) 6 months and above	25 %

MAINTENANCE OF RECORDS

25. What are the records to be maintained for ESI purpose?

In addition to the Muster roll, wage record and books of Account maintained under other laws, the employer is required to maintain the following registers for ESI:-

1. Accident Register in new Form-11 and
2. An inspection book.
- 3-The immediate employer is also required to maintain the Employee's Register for the employees deployed to the principal employer.

26. What are the returns/ reports to be submitted by the employer?

1. Reports: Accident report in Form 12 in case any accident takes place, to the notice of the Accident.
2. Abstention verification report as and when sought by the branch Manager in respect of any IP.

3. Records including attendance, wages and books of accounts sought by Social Security Officer on visit to the factory/establishment for inspection with due intimation.

REGISTRATION OF EMPLOYEES

27. What is Registration of an Insured Person?

Registration is the process of obtaining and recording information about the entry of an employee into 'insurable employment', for the purpose of his identification under the Act.

28. Why Registration of an Insured Person is necessary?

Registration of employee is the process of identification to provide the benefits under the Act which are related to the contributions paid by the employer on behalf of each of the insured persons.

29. How are the employees registered under the Scheme?

At the time of joining the insurable employment, an employee is required to provide his and his family details to the employer along with a family photo so that the employer can register the employee online. This exercise of registering an employee has to be a onetime exercise in life time of an employee. The insurance number generated on the first occasion of registration is to be used throughout his life time irrespective of change of employment including change of place.

30. What is an identity card?

On registration under the scheme the employer can take a print out of the temporary identity certificate, affix the photo provided by the employee and authenticate it for use which is valid for a period of 3 months. As soon as possible but not later than a month, the insured person along with his entire family should get themselves enrolled to obtain a "Pehchan Card". This identity card serves as a means of identification both for availing medical benefit at dispensary/ hospital and availing cash benefits at the ESI branch Office. Any changes in his residence/ dispensary/ employment can be carried out by the employer in the Portal as and when arises.

MEDICAL BENEFIT

31. What is Medical Benefit?

Medical benefit means the medical attendance and treatment to the insured persons covered under the Act and their families as and when needed. This is the only benefit provided in kind through the State Governments (except in Delhi), and uniform to all as per their requirement without linking it to their wages and contributions.

32. What is the scale of Medical Benefit?

Full range of Medical, surgical & obstetric treatment consisting of out-door treatment, in-patient treatment, supply of all drugs and dressings, pathological and radiological investigations, prenatal and post-natal care, super specialty consultation & treatment, ambulance services, provision of artificial appliances etc.

33. How long is Medical benefit available?

The insured person and his family are entitled to the Medical Benefit from the very first day of his/her joining the insurable employment. A person who is covered under the scheme for the first time is eligible for medical care for self and family for three months. If he/she continues in insurable employment for three months or more, the benefit is admissible till the beginning of the corresponding benefit period. If contributions were paid/ payable for not less than 78 days in the said contribution period, medical benefit is admissible till the end of the corresponding benefit period. If the insured person is in ESI coverage for at least 2 years, and contributed for not less than 156 days, and is suffering from any of the 34 specified long term diseases, the medical benefit is admissible till the incapacity lasts or for a period of 3 years for self and family.

34. If the insured person's family is residing in another place in the same State or another State, how the family can avail the medical benefit?

If the family is residing in any other place either in the same State or different State, based on the declaration of the insured person and certified by the employer, the family is provided with a 'family identity card' for receiving medical benefit from ESI Dispensary in the area in which it is residing. After IT rollout, the 'Family' is also issued a separate

'Pehchan card'. By producing this Pehchan card, the family can avail the medical benefit from any ESI Dispensary/ Hospital either at their place of residence or in any other part of the country.

35. How to get medical benefit when an insured person is leaving for another station for a temporary period?

Through "Pehchan Card" the employee would get medical benefit across the country in any of the ESIC/ESIS dispensaries subject to entitlement.

36. How long is it paid and at what rate?

The rate of dependants' benefit is 90% of standard benefit rate of the wages of the deceased insured person. It is distributed among the dependants as follows: 1) Widow: Till death or remarriage at 3/5th of the full rate. 2) Widowed mother till death @2/5th of the full rate. 3) Sons @2/5th of the full rate each till he attains the age of twenty –five years. 4) Unmarried daughters @2/5th of the full rate till they get married. 5) 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 dependants worked out as above exceeds at any time, the full rate, the share of each of the dependants shall be proportionately reduced, so that the total amount payable to them does not exceed the amount at full rate.

37. Whether the TDB/PDB/DB is also admissible in the case of a casual or temporary employee if he meets with an employment injury on the very first day or on any day before he completes his first contribution period?

No qualifying conditions or contributory conditions are attached for payment of temporary disablement benefit, permanent disablement benefit or Dependants benefit. Even if he meets with an employment injury on the very first day of his joining the insurable employment, the benefit is admissible.

BENEFIT TO FAMILY

38. What is the benefit admissible to the family members?

- (i) Family members are also entitled to full medical care as and when needed
- (ii) The family members are also entitled to artificial limbs, artificial appliances etc. as a part of medical treatment.
- (iii) The medical benefit is also admissible to the family during the period the insured person is in receipt of unemployment allowance. In case he dies during the period, his family continues to receive the medical benefit till the end of those twelve months.
- (iv) Reimbursement of expenditure incurred on the funeral of the deceased employee.
- (v) In case of the death of the insured employee due to employment injury, the widow, widowed mother and children are entitled to Dependents' benefit.
- (vi) Any benefit due to the insured employee at the time of death is paid to the nominee.

BENEFIT AFTER RETIREMENT TO THE IPs/WIDOW etc.

39. What is the benefit admissible after retirement of an employee?

An insured person who leaves the insurable employment on attainment of the age of superannuation or retires under a voluntary Retirement Scheme or takes premature retirement, after being an insured person for not less than 5 years, shall be eligible to receive medical benefit for himself and his spouse subject to production of proof thereof, and payment of a nominal contribution of rupees one hundred and twenty for one year. In case the insured person expires, his spouse is entitled to the medical benefit for the remaining period for which the contribution was made, and she can continue to receive the medical benefit on payment of the contribution @ 120/- p.a. for further period.

This medical benefit is also admissible to an insured person who ceases to be in employment on account of permanent disablement caused due to employment injury for himself and his spouse on payment of similar contribution till the date on which he would have vacated the employment on attaining the age of superannuation, had not sustained such permanent disablement.

Further, this medical benefit is also available to widows of insured persons who are in receipt of dependant benefit on payment of contribution as prescribed under rule 60. However, the medical benefit extended under this rule does not include super specialty treatment (SST).

40. What is Rajiv Gandhi Sharmik Kalyan Yojana?

In the event of closure of factory/establishment or non-employment injury related unemployment, the insured Person would be entitled to un-employment allowance subject to three years of insurable employment. The un-employment allowance is payable for twelve months in life time.

DEFINITIONS (KEY WORDS)

1. What is the definition of a Factory for coverage under ESI Act?

Factory is defined under section 2(12) as “any premises including the precincts thereof whereon ten or more persons are employed or were employed on any day of the preceding twelve months, and in any part of which, a manufacturing process is being carried on or is ordinarily so carried on, but does not include a mine subject to the operation of Mines Act 1952 (35 of 1952), or a railway running shed.”

2. Whether the persons employed who are not coverable under the Act are also counted for the purpose of coverage of factory/ establishment?

Yes. All persons employed in the premises including the precincts thereof irrespective of their wages including casual, trainees, contract employees are counted for the purpose of coverage of the factory/ establishment. Even the Directors rendering service and receiving remuneration are to be counted.

3. Persons who are not to be counted for coverage of a factory?

The following persons are not to be counted

- a) A proprietor or a partner whether drawing salary or not;
- b) A contractor lending the services of his employee;
- c) An apprentice engaged under the Apprentices Act, 1961;
- d) Persons employed on contract for service, e.g. legal, technical, tax consultants etc;

4. What is meant by 'premises'?

The terms 'Premises' and 'Precincts' used under section 2(12) of the Act have not been defined adequately. According to the definition assigned to the 'premises' under Section 2(m) of the Factories Act, 1948, it is a generic building, or shed. Accordingly, the word 'precincts', thereof 'separate buildings' located apart or at a distance when used for one

continuous manufacturing process shall also constitute the 'Premises'. Moreover the area adjacent to the building/shed which is ordinarily accessible would constitute 'premises'.

5. What is Manufacturing Process?

Manufacturing process shall have the meaning assigned to it in the Factories Act, as per Section 2(14-AA) of the Act. It is defined in section 2(k) of the Factories Act as “any process for:-

- (i) Making, altering repairing, ornamenting, finishing, packing, Oiling, washing, cleaning, breaking up, demolishing, or otherwise treating or adopting any article or substance with a view to its use, sale, transport, delivery, or disposal; or
- (ii) Pumping of oil water, or sewages, or any other; or
- (iii) Generating, transforming, or transmitting power; or
- (iv) Composing types for printing, by letter press, lithography, photogravure or other similar processes, or book binding; or
- (v) Constructing, reconstruction, repairing, refitting, finishing, or breaking up ships or vessel; or
- (vi) Preserving or storing an article in cold storage; and
- (vii) Tapping, collecting, cross matching and keeping in bottles, the blood, or whole human blood.

6. Who are the persons to be counted for coverage of an establishment?

The words 'premises' and 'precincts' used in the definition of 'factory' have not been used in the notifications issued by the State Governments, while extending the provisions of the Act to the establishments under Sec. 1(5) of the Act. So long as the establishment employs a minimum prescribed number of persons it will stand covered under the Act whether these employees are employed at one place or at places away from each other, as they are engaged in the organized activity of the same establishment. Thus, all the persons including those working in branches, regd. office, and sales office etc. whether situated in implemented area or not are to be counted.

7. Who is a Principal Employer?

(A) In the case of a factory, any of the following:-

- (i) Owner;
- (ii) Occupier;
- (iii) Managing Agent of the owner or occupier;
- (iv) Legal representative of a deceased owner or occupier;
- (v) Manager of the factory under the Factories Act, 1948.

(B) In the case of Establishments belonging to or under the control of Government of India:

- (i) The Specified Authority
- (ii) The Head of the Department (In the absence of specified Authority).

(C) In the case of other establishments: Person responsible for the supervision and control of the establishment.

8. Who is an Immediate Employer?

Immediate Employer can be any or all of the following:-

- (i) One who executes any work inside the premises of the principal employer of a factory or an establishment;
- (ii) One who executes the work of a factory or establishment outside the premises under the supervision of its principal employer or his agent;
- (iii) One who lets on hire the services of his employees to the principal employer of a factory or establishment; and
- (iv) A Contractor (Sec. 2(13)).

9. Who are the persons to be covered as “Employees”?

Any person employed for wages in or in connection with the work of a covered factory or establishment, and:

- 1) Directly employed by the Principal employer, on any work of the Factory or establishment within the premises or elsewhere, or in any part, department or branch dealing with administration, purchase of raw materials, sale, or distribution of the products of the factory or establishment.
- 2) Employees of the immediate employer:
 - a) Employed in the premises on any work of the factory or establishment;
 - b) Employed outside the premises on any work of the factory or establishment under the supervision of the Principal employer or his agent;
 - c) Employees lent or let on hire to the principal employer on any work of the factory, or
 - d) Paid Directors of a company.

Exclusions: (1) An Apprentice engaged under the Apprentice Act 1961 and (2) An employee drawing wages above the ceiling for coverage prescribed by the Central Government.

10. What is the wage ceiling limit prescribed for coverage of an employee?

It is Rs. 15,000 per month from 1st May, 2010.

The wage ceiling for coverage of an employee with 'disability' is Rs. 25,000/- per month from 01.04.2008.

11. What is 'Average Daily Wages'?

Average daily wages (Central Rule):

1(A) "Average daily wages during a contribution period" in respect of an employee, means the aggregate amount of wages payable to him during that period divided by the number of days for which such wages were payable;

1(B) "Average daily wages during a wage period" means-

- (a) In respect of an employee who is employed on time-rate basis, the amount of wage which would have been payable to him for the complete wage period had he worked on all the working days in that wage period, divided by 26 if he is monthly rated, 13 if he is fortnightly rates, 6 if he is weekly rated and 1 if he is daily rated;
- (b) In respect of an employee employed on any other basis, the amount of wages earned during the complete wages period in the contribution period divided by the number of days in full or part for which he has worked for wages in that wage period:

Provided that where an employee receives wages without working on any day during such wage period, he shall be deemed to have worked for 26,13, 6 or 1 days or day if the wage period, be a month, a fortnight, a week or a day respectively.

12. Who is an 'Exempted Employee'?

An employee who is not required to pay employees' contribution is called an exempted employee. The exemption limit with effect from 01.07.2011 is Rs. 100/- per day. However, employer's contribution is payable on these wages.

13. What are the contribution periods and benefit periods?

The financial year from April to March has been divided in to two six monthly contribution periods i.e. 1st April to 30th September and 1st October to 31st March of next year. The relevant benefit period corresponding to each contribution period commences three months after the end of the that contribution period i.e. Jan to June and July to December (The calendar year from January to December has been divided in to two six monthly benefits periods).

WAGES

14. How wages are computed for payment of contribution?

The following wage components are taken into account for computation of wages for payment of contribution.

- a) Basic Pay,/Wages/Salary;
- b) D.A/ HRA/ CCA/ Overtime/ officiating allowance/ Night shift allowance/ efficiency allowance/ Heat, Gas, Dust allowance/ Education allowance/ Food & Tea allowance/ conveyance allowance;
- c) Wages/ salary/ pay for weekly off and public holidays;
- d) Commission paid to sales staff;
- e) Subsistence allowance paid to an employee during the period of suspension;
- f) Attendance Bonus or incentive or exgratia in lieu of Attendance Bonus or production incentive;
- g) Regular Honorarium or salary or remuneration paid to a Director;
- h) Collection Bhatta paid to running staff.
- i) Actual payments made towards leave salary, lay off compensation, or wages for strike period.
- j) Any other remuneration paid or payable in cash to an employee if the terms of contract of employment, expressed or implied were fulfilled.

The above are only indicative.

15. What is 'Contribution'?

Contribution is the sum of money payable to the Corporation by the Principal employer in respect of an employee and includes any amount payable by or on behalf of the employee in accordance with the provisions of the Act (Section2(4)).

16. What is the Present Rate of Contribution?

- a) Employer's contribution: A sum equal to 4.75% of the wages payable to an employee, rounded off to the next higher rupee;

b) Employee's contribution: A sum equal to 1.75% of the wages payable to an employee, rounded to the next higher rupee;

17. What is 'Sickness Benefit'?

If an insured person requires medical treatment and attendance and needs abstention from work on medical grounds, Sickness benefit is paid for the period of abstention duly certified by the Authorized Medical Officer, for a period not exceeding 91 days in two consecutive benefit periods (say one year) @ 70% of standard benefit rate, subject to payment of contribution for not less than 78 days in the corresponding contribution periods.

18. What is Extended Sickness Benefits?

This is an additional sickness benefit provided by the Corporation in exercise of its powers under Section 99 of the Act. An insured person who has completed two years of insurable employment and contributed for not less than 156 days during this period is entitled to extended sickness benefit for a period of 309 days for the 34 specified long term diseases. This period can be extended up to 730 days or till the insured person attains the age of 60 years whichever is earlier. The insured person and his family are also entitled to Medical Benefit during this extended period. The daily rate of extended sickness benefit shall be equal to eighty percent of the standard benefit rate.

19. What is 'Enhanced Sickness Benefit'?

To promote the norms of small family, this cash benefit is paid to the insured person for undergoing vasectomy/ tubectomy operation. This is paid for a period of 7 days for vasectomy operation and for 14 days for tubectomy operation. This period can be extended in case of any post operative complications. The daily rate of enhanced sickness benefit shall be equal to the standard benefit rate.

20. What is Disablement?

Disablement is a condition resulting from employment injury, which may render the insured person temporarily incapable of doing his work and necessitating medical treatment (temporary disablement). It may reduce his earning capacity (permanent partial disability)

or it may totally deprive the insured person from the capacity of doing any work (permanent total disability).

21. What is 'Employment Injury'?

It is a personal injury to an employee caused by an accident or occupational disease arising out of and in the course of his insurable employment within or outside territorial limits of India.

22. What is Occupational Disease?

Contracting any disease, while in employment for a specified period in any of the industries listed in Part A, B, or C of Schedule III to the Act is called Occupational disease. Occupational health hazards can be of two main types. Short term and high dose with acute on set, synonymous with acute poisoning, included by large dose of a toxic substance in an industrial environment, and the other one is chronic on set, which is the result of repeated or continuous exposure of small doses of substances.

23. What is 'Temporary Disablement Benefit'?

It is a periodical payment to an insured person suffering from Disablement as a result of 'Employment injury' for the period of abstention from work duly certified by an authorized Medical Officer. This is paid till the temporary disability lasts and the employee is able to resume his normal duties, @ 90% of standard benefit rate.

24. What is Permanent Disablement Benefit?

If there is any residual disability of permanent nature due to employment injury, the insured person is examined by a Medical Board to assess the loss of earning capacity if any and its percentage. The insured person is paid monthly periodical payments of permanent disablement for life from the date following the date of termination of temporary disablement at that percentage out of full daily rate of disablement benefit. Periodical increase in the benefit is also admissible due to erosion in the cost of living. The benefit can be drawn in cash at the Branch Office, by Money Order at the cost of the Corporation, or credited to the Bank Account of the insured person every month. The insured person can also opt for the payment in lump sum if his daily rate of PDB does not exceed rupees

ten or even if it exceeds ten per day, but the commuted value does not exceed Rupees 60000.

25. What is Dependants' Benefit?

Dependants' benefit is a monthly pension payable to the eligible dependants of an insured person who dies as a result of an employment injury or occupational disease. The benefit is paid through Branch Offices.

26. What is maternity benefit?

Maternity benefit is periodical payments to an insured woman for specified period of abstention from work, due to confinement, miscarriage or sickness out of pregnancy, premature birth of child or miscarriage or confinement. The rate of maternity benefit shall be equal to the standard benefit rate.

27. What is confinement? How long is the maternity benefit admissible in case of confinement?

Confinement means labour resulting in the issue of a living child or labour after 26 weeks of pregnancy resulting in the issue of a child whether alive or dead. Maternity benefit is payable for 84 days, subject to payment of contribution for not less than 70 days in the immediately preceding two contribution period. The benefit can be claimed at any time prior to six weeks before the expected date of confinement or from the date of confinement as per the condition and requirement of the insured woman.

28. What is 'miscarriage' and how long is the benefit admissible?

'Miscarriage' means the expulsion of the contents of a pregnant uterus at any time prior to or during the 26th week of pregnancy, but does not include a miscarriage, the cause of which is punishable under the Indian penal code. Maternity benefit is payable for miscarriage for a period of 6 weeks (42 days) from the date following the date of miscarriage subject to fulfillment of the contributory condition prescribed.

29. What is sickness arising out of pregnancy etc? How long the Maternity benefit is admissible for it?

If the insured woman needs medical treatment and attendance and abstention from work due to sickness arising out of pregnancy, miscarriage, premature child birth or confinement, duly certified by an authorized Medical Officer, Maternity Benefit is payable for a period one month.

30. What is Confinement Expenses?

Confinement Expenses is lump sum payment made to an insured woman or an insured person in respect of his wife for two confinements to meet the confinement expenses, if the confinement occurs at a place where necessary facilities under the ESI Scheme are not available. At present the confinement expenses paid is Rs. 2500/- per confinement.

31. What are funeral expenses? Who is to be paid?

A lump sum payment not exceeding Rs. 10000/- towards expenditure on the funeral of a deceased insured person, is paid either to the eldest surviving member of the family or if he has no family or not residing with his family at the time of death, to the person who actually performs the funeral of the deceased insured person.

32. What is Standard Benefit Rate?

Means average daily wages obtained by dividing the total wages paid during the contribution period by the number of day for which these wages were paid.