

Employees State Insurance

Act 1948

What is Employees State Insurance Act 1948 (ESI Act 1948)?

Employees State Insurance is a self-financed comprehensive social security scheme that comes under Employees State Insurance Act 1948. The Ministry of Labour & Employment is responsible for the functioning of this Act.

- Social security provisions made in the ESI Act 1948 protect the employees against financial distress arising out of events of disablement, sickness, or death due to employment injury.
- Employees State Insurance provides cash compensation for the above cases.
- Employees' State Insurance Corporation (ESIC) administers Employees State Insurance Act 1948.
- Employees' State Insurance Corporation (ESIC) is a statutory corporate body that is established under the employee's state insurance act in India.

Benefits of Employees State Insurance Act 1948

The benefits of the Employees State Insurance Act 1948 are as follows:

- Medical Benefit- medical care will be given to the person and his family members. There will be no ceiling on the expenditure.
- Maternity Benefit- for pregnancy is payable for 26 weeks as well under the ESI Act 1948, which can be extended up to one month on medical advice.
- Sickness Benefit- it will be given in the form of cash compensation at the rate of 70 percent of wages.
- Dependants Benefit- this is paid in the form of monthly payments to the dependants in cases where the death occurred due to occupational hazards or employment injury.
- Disablement Benefit-
 - Temporary disablement benefit (TDB) at the rate of 90% of wage is payable so long as the disability continues.
 - Permanent disablement benefit (PDB) is paid at the rate of 90% of wage in the form of monthly payments. It depends on the extent of the loss.
- Other Benefits of Employees State Insurance Act 1948
 - Funeral Expenses
 - Physical Rehabilitation
 - Old Age Medical Care
 - Confinement Expenses
 - Vocational Rehabilitation

Coverage of Employees State Insurance Act 1948

The Employees State Insurance applies to the factories and other establishments institutions where 10 or more persons are employed. However some states, the limit is 20.

- Under section 1(5) of the Employees State Insurance Act 1948, the ESI scheme has been extended to hotels, shops, cinemas, and restaurants, including road-motor transport, preview theaters, and newspaper establishments where employees are 10 or more.
- Again under section 1(5) of the Employees State Insurance Act 1948, the ESI scheme has been extended to educational institutions and private medical employing more than 10 or more persons.
- The ESI scheme is not notified in 526 districts in 35 UT and states, which includes 346 complete districts, 95 district headquarters, and 85 districts.

