

# ESI A NEED INDEED



For compliance issues

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One of our employee who was working as Electrician one day approached me with sad mood and when I enquired came to know that his wife had cancer and under treatment in private hospital spent his savings for her treatment exhausting money. He was reluctant to hear and go to esi. But on my persuasion and force he accompanied me to dispensary followed by hospital admission in specialized hospital on reference. His wife every month with expensive injections recovered fast and saved almost Rs. 1.80 lac and survived for another six months. Thanks for such support. He remembers ESI and I have a satisfaction of guiding him properly and removing apprehensions about esi.

Another incident of open heart surgery of my employee's mother, I intervened and approached ESI doctors and medical directorate and she got operated recovered and his family remembers the timely help and economic support.

The list of help, support goes on. Many employers' employees still are not aware about the Benefits available under the scheme. Also it has bad name in the past which cannot be erased or removed immediately. It may take another two to three years to accept cent percent by its stakeholders.

Of late that too after introducing Model hospital, attaching to specialized, super specialty hospitals change in attitude and improvements in service levels, innumerable beneficiaries are getting treatment and cash benefits at very lowest cost compared to their contributions. Taking advantage of technology and e governance Pehachan card system acts like a ATM card in availing benefits across nook and corner of the country. Many employers are asking to enroll them individually. Even few unorganized sector workers approached me to enroll and get ESI facility. The most remarkable benefit by ESI member even after

retirement, by paying nominal amount treatment to insured and spouse is great support in these expensive and difficult days.

## Requirement:

In addition to necessities of food, clothing, housing etc., man needs security in times of physical and economic distress consequent upon sickness, disablement etc. The Employees' State Insurance Scheme is an integrated measure of Social Insurance embodied in the Employees' State Insurance Act and is designed to accomplish the task of protecting insured 'employees' against the hazards of sickness, maternity, disablement and death due to employment injury and to provide medical care to insured persons and their families. ESIC is the trustee of the interests of the insured persons. In any private medical aid till death care and treatment is provided but in ESI even after death, funeral benefit care is taken!

To happen all the above or to still more better to happen there are certain obligations, duties and responsibilities lies on employer, immediate employer, contractor. Though IP is VIP, to realize that greater expectations one has to look at covered establishments and their employees. To ensure the scheme to implement in right way it is the employer who has to discharge following onerous obligations, duties and responsibilities. Employer role is greater and their contributions in addition to employees made the scheme unique and richer.

## Duties of Employers

- An employer will apply in Form-01 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 through online system.
- The employer will receive Pehachan cards and pass them on to the employees concerned.
- 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 are required under the Act and produce them for verification/inspection before the authorised officers of the Corporation.
- The employer will facilitate proper inspection of records/registers and the premises by visiting officers of ESIC as and when so required.
- The employer shall submit half-yearly Return of Contributions (RC) by 12<sup>th</sup> May/11<sup>th</sup> November every year with all columns properly filled.
- 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 – regular, hired or contractual.
- The Employer will ensure that contribution is paid in respect of all contract labour, badli and casual workers drawing wages upto Rs.15000/- 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 and clear ESI liabilities.

- 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, licence or otherwise as the new owner is liable to discharge past liabilities.
- Having complying above employer has certain rights also.

## Rights of Employers

- Exemption from applicability of Employees 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 that may be formed from time to time.
- 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.

## Duties of Contractor:

1. Cover all insurable employees and educate their workers about benefits and importance
2. Pay contributions in time 21<sup>st</sup>
3. Maintain Register of workmen form
4. Payment challans and half yearly returns in file
5. Accident report copy and book
6. Inspection book

## Safe Guards for Insured Employees

- i) Right to receive payment of any benefit under the Act shall not be transferable or assignable.
- 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 etc.
- 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.
1. vi). Right to approach ESI Court against any action/decision of the Medical Board etc.

To ensure all the above provisions to the satisfaction of its stakeholders, esic has its Quality Policy which reads as under

*All of us in ESIC are committed to provide social security as per ESI Act 1948.*

We shall achieve this through -

- Adoption of innovative mechanisms for providing quality service to our customers, i.e., Insured Persons, Beneficiaries and Employers.
- Productive utilization of all facilities.

- Continual improvement of our systems, processes and technology.
- Training, involving, motivating and developing our employees for enhancing their performance and ability to satisfy our customers".

## Change:

In changed scenario to make it friendlier amiable the designation of inspector is revised and named as Social Security Officer thus making it meaningful towards ensuring social security.

## Case Study:

Recently in Bangalore in one of the apparel industry Fire department while conducting Mock Drill and Rescue session, used rope, tied to a live young lady who was a Welfare Officer and in the process the rope cut and the young lady fell down from certain floor died on the spot. What a disaster!

She was bread earner family was looking at her for support. ESI took action in providing Dependant Benefit to her dependant parents thus relieved from the financial burden of the family and through this her family all the time remember her of course ESI also. Really Chintase Mukti –Free from Worry.

## A thought:

- **Don't Waste Time**
- **In Finding The Loopholes/Flaws In The Law**
- **Instead Know, Understand And Follow The Law.**

## Conclusion:

All of us are aware that today medical assistance which is a must for all is very expensive and many times it is beyond common man's reach. Employer

on their accord cannot provide comprehensive medical help in addition to compensation, rehabilitation in case of accidents. By compliance employer will be benefited in multifold - by Income tax provisions, indemnity in case of accidents, employees and their families well being. Thus benefits of esic are commendable.

ESI is Participative health insurance scheme for a Happy and Healthy Nation. ESIC is your Ttrustee-Trust it all the time and become Free from Worries. (Chintase Mukti). Hence comply, be safe and let us join our hands in realizing the following great saying..

Survey Janaha Sukhino bhavantu. Samasta locan sukhino bhavantu. (let all people be happy and let the World also be happy). Let us salute ESI who is a friend in need and provide greater social security indeed.

## Note:

Any of the employers/employees associations if need short session to their employees about ESI benefits and usage, the author is available to present and relieve the employers from many issues.

## References:

- a. ESI Act and various ESIC source.