HANDBOOK ON

EMPLOYEE’S PROVIDENT FUND AND
MISCELLANEOUS PROVISIONS ACT’ 1952
(Page 3 to Page 34)

AND

EMPLOYEES STATE INSURANCE ACT’ 1948
(Page 36 to Page 54)

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SECTION – 1

EMPLOYEE’S PROVIDENT FUND

AND

MISCELLANEOUS PROVISIONS ACT’ 1952
EMPLOYEES’ PROVIDENT FUND ORGANISATION

The Employees’ Provident Fund Organisation is a statutory body under the Ministry of Labour, Government of India, New Delhi. It administers Social Security Schemes framed under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952, namely Provident Fund, Pension and Insurance to industrial employees. These benefits are extended to establishments which employ 20 or more persons.

The Employees’ Provident Fund Organisation is an All India Organisation having its offices in all state capitals, cities, towns and districts with its headquarters at New Delhi. It is administered by the Central Board of Trustees – Employees’ Provident Fund comprising representatives from employees, employers and the Central/State Government.

The Employees’ Provident Fund is made applicable to an employee from the date of his joining the establishment and recovers contribution at the rate of 12% of basic wages and the dearness allowance and the employer also contributes his share of contribution @ 12%. In addition to this, the employers contribute an additional 1.15 % towards administrative charges (subject to certain conditions discussed later). Every member of Provident Fund is automatically governed by Pension and Insurance Schemes. Similar to government employees, the industrial employees are also eligible to avail the monthly pension after their superannuation and family pension in case of their death. During life time, a member can avail withdrawals from his Provident Fund for Housing, Marriage, and Illness etc.
Chapter I
TO WHOM THE PROVIDENT FUND ACT APPLIES?

(1) **The Employees’ Provident Funds & Miscellaneous Provisions Act, 1952, is applicable to** –

All establishments/Factories; included in the list of notified Industries and class of establishments. The minimum number of persons employed should be 20. The Central Government after giving two months notice is empowered to apply the act to any establishment employing less than 20 persons, by notification in the official gazette.

‘Person’ includes regular, casual, piece rated, part time, temporary and contract employees, etc.

The Provident Fund Act will come into force in an establishment from the very date of set up or commencement of business excepting certain class of establishments specified excluded under Section 16 of the Act. The Act once applied will continue to apply to the establishment even if the number of employees fall less than 20 after coverage.

The Employees’ Provident Fund Act is applicable to the cinema theatres employing 5 or more workers.

(2) **Registration – Issue of Provident Fund Code Number to an establishment.**

A Registration number, otherwise known as Code Number is issued to every establishment/Factory to which the Provident Fund Act is applied.

It is issued by the Regional Provident Fund Commissioner under whose jurisdiction the Establishment is located. Normally, in case of a Factory establishment, the Code No. is allotted by the Regional Provident Fund Commissioner under whose jurisdiction the Factory is located; and not with reference to the location of the Head Office or the Administrative or corporate office. A contractor who is employing 20 persons and engaged in the work of different establishments may obtain a separate code number. The compliance should be reported to all the establishments for which he is working as a contractor.

Presently, Code Number has to be applied online through the department’s online portal.

(https://unifiedportal-emp.epfindia.gov.in/epfo/public/olre/registerOwner)

(4) **Voluntary application of Act:**

The following category of establishments can seek voluntary application of the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952:-

(i) Any establishment which is not employing 20 persons (including contract workers); and

(ii) Establishments employing 20 persons but not falling in the list of notified industries/class of establishments.
Chapter II

EXEMPTION

On application of the Provident Fund Act to an establishment, the employer may seek exemption from the operation of Provident Fund Scheme or Pension Scheme or Employees’ Deposit Linked Insurance Scheme or from all.

The basic condition is that majority of employees should opt for the exemption and the benefits of the private Provident Fund/Pension Scheme should necessarily be at par or more than the Statutory Schemes. For exemption from EDLI Scheme, the insurance benefits payable to the employees should be more favourable than the Statutory Scheme.

On grant of exemption, the Board of Trustees constituted by the Employer shall handle the Provident Fund matter relating to investment, maintenance of account and settlement of Provident Fund accounts etc. to the members – such establishments are known as exempted establishments. The exempted establishments should maintain their own Provident Fund recognized by Income Tax. The rate and manner of crediting interest should not be less than the one declared for the members of the unexempted establishments.

It is worth mentioning here that the exemption earlier provided to charitable organizations has been withdrawn w.e.f. 01.04.2015.
Chapter III

1. BASIC FACTS WE SHOULD KNOW ABOUT ‘PROVIDENT FUND’

Provident Fund

- Provident Fund is a Social Security Benefit to employees.
- It is a compulsory saving by an employee during his employment.
- It is meant for old age.
- This is required to be availed on retirement/cessation from service.
- An employee who contributes to Provident Fund is also eligible to receive a matching contribution from his employer.

Employees’ Provident Fund Act/Scheme

- Employees’ Provident Fund is set up under the Central Act viz. Employees’ Provident Funds & Miscellaneous Provisions Act, 1952, in the year 1952.
- It is applicable throughout the country (except Jammu & Kashmir).
- It is applicable to almost all establishments falling under the industries/class of establishments, wherein 20 persons are employed.
- In the case of cinema theatres workers, it is applicable to such establishments wherein 5 persons are employed.
- Benefits to an employee are provided through the schemes framed under the ‘Act’.
- Provident Fund benefits are provided under the Employees’ Provident Funds Scheme, 1952.
- Pension benefits are provided under the Employees’ Pension Scheme, 1995.
- Insurance Benefits are provided under the Employees’ Deposit Linked Insurance Scheme, 1976.
- A member of Employees’ Provident Fund is automatically eligible for Pension and Insurance benefits without paying any additional amount of contribution.

Employees’ Provident Fund Organisation (EPFO)

- Employees’ Provident Fund Organisation is administering the above Schemes.
- Employees’ Provident Fund Organisation is a statutory body under the Ministry of Labour, Government of India.
- It is an all India Organisation having its offices in all State Capitals, Cities, Towns and Districts.
- The Employees’ Provident Fund is administered by Central Board of Trustees – Employees’ Provident Fund.
The Central Board of Trustees, Employees’ Provident Fund consist of representatives from Employees’ Association, Employers Association and Central/State Governments.

Honorable Minister for Labour, Government of India is the Chairman of Central Board of Trustees, Employees’ Provident Funds.

The Chief executive of the organisation is the Central Provident Fund Commissioner, New Delhi.

The Regional Provident Fund Commissioners are in charge of the Regional/Sub-Regional/Sub-Accounts offices and monitor the compliance from all the establishments.

Regional Provident Fund Commissioners are maintaining the Provident Fund accounts and ensure collection of dues from employers and extending of various benefits to the Employees/Family members/Nominees.

**Special Features of the Act/Schemes**

- Employees’ Provident Fund as also Provident Fund of exempted establishments is a recognized Provident Fund under the Indian Income Tax Act, 1961.
- An employee is eligible to avail the rebate on Income Tax on his Provident Fund Contributions subject to ceiling prescribed under the Income Tax Act.
- Non-payment of Employees’ Provident Fund dues by an employer may lead to recovery action by Regional Provident Fund Commissioners such as Prosecution, attachment of Bank Account/Property, arrest and detention etc.
- Non-payment of employees’ contributions recovered from the wages of the employees would constitute ‘Criminal breach of trust’ punishable under Section 406/409 IPC.
- Employees’ Provident Fund dues paid after the due date (15th of the following month) will result in payment of interest u/s 7Q & penal damages u/s 14B by the employer.
- Employees’ Provident Fund account of an employee can be transferred to any place in the country. However, with the recent allotment of Universal Account Numbers to the employees by the Organisation, the need of transfer of funds will not be required in the near future. However, presently the transfer claims have to be filed online through the OTCP portal/Member’s UAN of EPFO.
- Employees’ Provident Fund may be withdrawn partially for certain specified purposes such as housing, marriage, illness, etc.
- All Provident Fund Claims of the member are to be disposed by EPF Offices within 30 days.
- Members are given the benefit of filing Nomination for Provident Fund/Pension and Employees’ Deposit Linked Insurance.
- The annual Employees’ Provident Fund balance is informed to every employee by the Employees’ Provident Fund Office. With the advent of online compliances, annual account slips in Form 23 are now being issued
online on the employer’s portal. The member’s can also view their updated EPF pass books online through their UAN Login.

2. WHO IS ELIGIBLE TO BECOME A PF MEMBER?

All employees, employed in an establishment (includes employees employed through contractors, daily rated, piece rated, temporary, casual etc.).

“Excluded employees” need not be enrolled as PF members.

Excluded employees are –

   a) Employee drawing the wages (Basic + DA + Cash value of food concession) above Rs.15000/- as on the date of joining the establishment. (If the ‘wages’ of an employee is increased beyond Rs.15000 during the course of employment and after becoming a member of Employees’ Provident Fund, such employees are not to be treated as excluded employees. In such cases his contribution may be restricted to his wages upto Rs.15000/-.

   b) Employees whose Employees’ Provident Fund Accounts were once fully settled after attaining 55 years of Age or on permanent settlement abroad.

3. RIGHTS OF EMPLOYEES

Employees drawing wages above Rs.15000/- can also become a member of the Fund, if the employer and employee give a ‘joint declaration’ to the Regional Provident Fund Commissioner.

An employee at the time of joining an establishment should declare his previous Provident Fund Account Number/membership details to his present employer for communication to the Commissioner.

All employees should be enrolled as a Provident Fund member from the date of joining the establishment/factory.

An employee who is enrolled as a member of Provident Fund is automatically eligible for the membership under the Employees’ Pension scheme, 1995 and Employees’ Deposit Linked Insurance Scheme, 1976.

In case an employee had attained the age of 58 or is in receipt of pension under Employees’ Pension Scheme, 1995, he is entitled to become a member of Provident Fund only and not eligible to join the Pension Fund.
A member of Employees’ Provident Fund will retain his membership even after his leaving from employment until his account is fully settled. He can avail the advance/withdrawal during the period he is out of employment. The benefit under EDLI Scheme is admissible only where the member died while in service.

A Provident Fund member who withdraws his Provident Fund dues and thus cease his membership under Provident Fund can continue his membership under Employees’ Pension Scheme, 1995, for availing the pension benefit.

When a PF member leaves one establishment and joins another establishment his PF account can be transferred to his new employer with a new account number, but with the same UAN. However, now the department has recently issued Universal Account Numbers to all subscribers and also developed an online process in which all any employee joining another establishment have to provide the Universal Account Number to his existing/ new employer. The Universal Account Number will be permanent and linked to the PF account number of the member. In such case the need for transfer of Provident Fund accumulations shall not be required.

A person who joins an establishment, wherein the EPF Scheme 1952 is already in force, should be enrolled as a member of PF, Pension and Insurance Schemes, from the date of his joining the establishment.

4. BENEFITS TO MEMBERS

**BENEFITS UNDER EMPLOYEES’ PROVIDENT FUNDS SCHEME, 1952.**

- Every employee is required to pay Contribution to the provident fund @ 12%/10% of the Basic Wages, Dearness Allowance and cash value of food concession.
- The Employer will also pay an equal amount of contribution.
- While contributing to Employees’ Provident Funds, the member is eligible for deductions u/s 80C of the Income Tax Act’ 1961
- The Provident Fund accumulations of the member will earn compound interest, calculated on monthly running balances.
- The members are informed of the balance of their Provident Fund accumulation every year through the Annual Statement of Accounts (Form 23). This facility is now converted to online issue of Form 23 on the employer’s portal. With the advent of new regime with allotment of Universal Account Numbers to each and every employee/member of the fund, the department is in the process of sending automated monthly balances over SMS to the registered mobile number of the members.
- The Provident Fund members can avail advances / partial withdrawals for Housing, Marriage, Illness, etc., through application in Form 31 which provides details and documents to be submitted.
- On retirement or on leaving service, the Provident Fund accumulations can be withdrawn in full by submitting application in Form 19.
In case of premature death, the Provident Fund is payable to Nominee(s)/family members by submission of Form 20 by each beneficiary.

A member of Provident Fund also acquires membership under pension scheme.

**BENEFITS OF PENSION SCHEME**

- Pension is a boon for the working class. It is no more the prerogative of Government employees only.
- An Employee is eligible for Pension after a minimum of 10 years of pensionable service.
- The Pension is payable on attaining the age of 58 years, whether he is in service or superannuated.
- Early Pension at reduced rate can be availed on leaving the employment, after attaining the age of 50 years.
- Where an employee is totally disabled and leaving service on account of disablement, Disablement Pension is allowed. There is no age and service stipulation to claim the pension in such cases.
- Pension is based on age, wage and service of an employee at the time of his leaving service.
- The payment of Pension is guaranteed and assured even in cases where the employer fails to deposit the pension contributions.
- When a member dies as Bachelor or Spinster or where there is no spouse or children below 25 years, the Family Pension is payable to Nominee till his/her death.
- When there is no valid nomination, the Family Pension is payable to dependent father followed by dependent mother. However, in case of deceased parents, pension will be payable to the legal successor as identified by the claimant and seconded by the Employer through submission of Family Particulars Report.
- In addition to Family Pension to Widow / Widower, Children below 25 years are also eligible for Pension simultaneously. It is payable to the married daughters also, below the age of 25 years.
- On behalf of the minor children the pension is payable to guardian as custodian.
- Any child in a family with total and permanent disablement will receive Children Pension till death.
- The monthly pension is payable through designated Banks and Post Offices on the first day of every month through the Savings Bank account of the pensioner.
- The pension can be drawn anywhere in India.
- The employees with less than 10 years of service on the day of superannuation may avail the benefit of withdrawal from Pension Fund.
- Where an employee has not served for 10 years on the date of leaving service and has not attained the age of 58 years, he may obtain a Scheme Certificate so as to continue his membership during un-employment period.
and the same can be used to count the previous service as and when he joins another establishment covered under the Act.

The Pension quantum is determined separately for the period of service from 1.3.1971 to 15.11.1995 as fixed amount. This is known as “Past Service” benefit.

The Pension for the service rendered on or after 16.11.1995 is calculated through formula namely,

\[ \text{Pensionable Salary} \times \text{Pensionable Service} \]

\[ \frac{70}{\text{Pensionable Service}} \]

An employee on his superannuation is entitled for Pension (through the above formula) upto 60% of the pensionable salary. (Pensionable Salary would mean, the salary drawn by the employee for a period of 12 months prior to the date of superannuation).

**Benefits under Employees’ Deposit Linked Insurance Scheme, 1976**

- A member of Provident Fund is also a member of Employees Deposit Linked Insurance Scheme.
- In case of death of an employee, while in service, insurance benefit upto Rs.6.00,000/- is payable to the Nominee / family members.
- No contribution is required to be paid by the employee for the insurance benefit. The employer alone is required to pay the contribution.

**5. PAYMENT OF CONTRIBUTION**

(1) The Rate of contributions payable under the three Schemes are as under:-

Contribution is calculated on the Basic Pay, Dearness Allowance including cash value of food concession and retaining allowances, if any, payable to each member.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Employees’ share</th>
<th>Employers’ share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees’ Provident Fund Scheme, 1952</td>
<td>12 % *</td>
<td>3.67 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(amount in excess of 8.33%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(i.e 12%* - 8.33%)</td>
</tr>
</tbody>
</table>

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Employees’ Pension Scheme, 1995 | NIL | 8.33% (No separate recovery. Diverted from & out of Provident Fund Contributions only)

Employees’ Deposit Linked Insurance Scheme, 1976 | NIL | 0.5%

* 10% in case of certain establishments (Jute, Beedi, Bricks, Coir industry, Gaur gum industries) and also to any establishment which employs less than 20 persons.

(2) The employee’s share of Provident Fund contribution may be deducted by Employer from the wages of the member before disbursement. However, such deduction should be made only from the wages for which the contribution pertains. For example, the employee’s share of contribution for June 2013 should be deducted only from the wages for June 2013.

(3) A member is required to contribute compulsorily up to Rs.15,000/- of his wages and he may voluntarily opt to contribute beyond the wage ceiling of Rs.15,000/- (i.e. up to his ‘wages’). In such cases, an employer is not required to pay his own share of contribution above the wage ceiling of Rs.15,000/-. During the course of membership, if the ‘wages’ (Basic + Dearness Allowance including cash value of food concession and Retaining allowances) has crossed Rs.15000/-, the member and employer are required to pay Provident Fund Contribution up to Rs.15000/- only. In such cases the member cannot be treated as “excluded employee”.

(4) There is no separate contribution payable to the Pension Fund. The contribution towards Pension Fund is diverted from the employer’s share of EPF contribution at the rate of 8.33% of the wages.

(5) An employee need not contribute under EDLI Scheme, 1976. The employer alone is required to pay the contribution.

(6) The Provident Fund contribution of contract employees and the matching contribution representing the employers share is to be payable by the contractor to the principal employer, every month.

6. PROVIDENT FUND ADVANCES/WITHDRAWALS

A member of the EPF can avail the advance/withdrawal during the period of his membership, whether in employment or not, for the following purposes:-

- For financing Insurance policy,
- For Housing (purchase of site, house, flat, and construction, addition/alteration of house and repayment of housing loans).
Financial assistance- on dismissal, discharge, retrenchment and closure/lock out.
For illness of the member/family member.
For marriage and post matriculation education.
To meet the loss of property due to natural calamity.
Loss in wages due to power-cut.
Purchase of Equipment for physically handicapped.
To withdraw the Provident Fund one year before retirement.

How to avail Provident Fund advances?
The Employees Provident Fund is a Social Security scheme mainly meant for the post retirement period of the working class. Though it is the main objective, it also provides for withdrawing their Provident Fund money to meet out certain contingencies.

The Provisions envisaged under paragraphs 62 to 68-O of the EPF Scheme regulates the withdrawals/advances that a member can avail of himself during his period of membership.

There is a common application form for all the advances i.e. Form-31 except for withdrawal under Para 62 for financing Life Insurance Policies.

7. HOW TO WITHDRAW PF AND OTHER BENEFITS?

On leaving an employment:
A member of EPF on his leaving employment on resignation etc., if he is not securing any employment in a PF covered establishment, may claim his PF accumulations by himself. For this purpose, the member is required to submit the prescribed application in Form 19. This form is required to be filled in and given to the member by the employer on the date of his leaving the service. This form is required to be submitted to the Regional Provident Fund Commissioner after completion of 2 months from the date of leaving service. In case, the member secures another employment before submitting his application the account is required to be transferred.

On death of a member:
On death of a member, the Provident Fund amount is payable immediately to the nominee/s.

If there is no valid nomination the Provident Fund amount is payable equally to all the eligible members of his family.

If both nominee and ‘family’ members are not applicable the legal heir is eligible to claim the Provident Fund dues of the deceased member.

In such cases the claim is to be preferred by the eligible person through Form 20. The claim should be forwarded only through the employer. In case
of closure of establishment the claim may be sent through the authorised persons as per the list given in the application form. It is desirable that in such cases the claim may be attested by the bank manager wherein the bank account is kept.

In case if any employer refuses to attest and forward the application the fact may be conveyed to the Regional PF Commissioner/Grievance Officer/PRO and further guidance may be obtained.

**Who can claim the benefits under the Employees’ Pension Scheme, 1995?**

A member of Employees’ Provident Fund acquires membership under Pension Scheme also.

A Provident Fund member who is eligible to withdraw his Employees’ Provident Fund dues can therefore avail the benefit due under the Pension Scheme also. It is not necessary to avail the pension benefit alongwith Provident Fund. A member can avail his Provident Fund dues only and retain his membership under the Pension scheme. However, a member who had attained the age of 58 years can avail the benefit under the pension scheme. Because, a member cannot retain his pension membership after the age of 58.

A member of the Pension Scheme is eligible for the following benefits:-

(i) Withdrawal benefit
(ii) Scheme Certificate
(iii) Monthly Pension.

On death of an employee, while in service, the family (spouse and children) is eligible to receive monthly family pension i.e. for the widow/widower and also to children (below 25 years).

Thus the benefits under Pension Scheme can be claimed as under:

It may be noted that the benefits under Pension Scheme are not at all related to the contribution paid, on behalf of the member. It is calculated with reference to the age, wage and service of the member. Thus, the factors viz. Age and service determines the eligibility for a particular type of benefit, whereas the ‘wage’ factor enables the determination of quantum of benefit for monthly pension. Before applying for the benefit under Pension Scheme, the member has to verify his age as given to the Employees’ Provident Fund Office and his period of service. He may fall under any one of the following category to receive the benefit mentioned against each:-
### Handbook on:
*Employee's Provident Fund and Miscellaneous Provisions Act' 1952*
*Employees' State Insurance Act' 1948*

<table>
<thead>
<tr>
<th>Category (1)</th>
<th>Service (2)</th>
<th>Age (3)</th>
<th>Nature of benefit eligible (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below 10 years</td>
<td>Below 58 years</td>
<td>Issue of Scheme Certificate. Or Payment of withdrawal benefit (at the option of member)</td>
</tr>
<tr>
<td>2</td>
<td>Below 10 years</td>
<td>Attained 58 years</td>
<td>Only Withdrawal Benefit</td>
</tr>
<tr>
<td>3</td>
<td>10 years and above</td>
<td>Below 58 years</td>
<td>Only Scheme Certificate</td>
</tr>
<tr>
<td>4</td>
<td>10 years and above</td>
<td>Attained 58 years (whether continued in service or retired)</td>
<td>Monthly Pension to Member</td>
</tr>
<tr>
<td>5</td>
<td>10 years and above (Not in employment)</td>
<td>Completed 50 years of age</td>
<td>Eligible for Scheme Certificate Or For Reduced (early) Monthly Pension.</td>
</tr>
<tr>
<td>6</td>
<td>Total and permanent disablement while in service</td>
<td>Below 58 years</td>
<td>Disabled Pension to member</td>
</tr>
</tbody>
</table>
### On Death of a member

<table>
<thead>
<tr>
<th>Category</th>
<th>Occurrence of death</th>
<th>Service</th>
<th>Age</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Death while in service</td>
<td>Paid at least one month’s contribution for the service rendered during a month</td>
<td>Below 58 years on the date of death</td>
<td>Monthly Pension to the Family (spouse and children). Where no eligible family (spouse and children below 25 years), Family Pension to Nominee for life. Where no family or no nominee, Family Pension to Dependent parents.</td>
</tr>
<tr>
<td>2</td>
<td>Death after leaving the service (where the membership is retained)</td>
<td>10 years</td>
<td>Below 58 years of age</td>
<td>Monthly Pension to the Family (spouse and children). Where no eligible family (spouse and children below 25 years), Family Pension to Nominee for life. Where no family or no nominee, Family Pension to Dependent parents.</td>
</tr>
<tr>
<td>3</td>
<td>Death after leaving the service (where the membership is retained)</td>
<td>Below 10 years</td>
<td>Below 58 years of age</td>
<td>Family Pension to widow/widower/children. If there is no family member, one time benefit of Return of Capital is payable to Nominee or Dependent.</td>
</tr>
<tr>
<td>4</td>
<td>Death while receiving Pension</td>
<td>Not relevant</td>
<td>Not relevant</td>
<td>Family Pension to only spouse and children (below 25 years) (nominee and Dependent parents are not eligible).</td>
</tr>
</tbody>
</table>
Claiming Withdrawal Benefit:
A member who is eligible to draw the withdrawal benefit is required to submit the application in Form 10C, through the employer.

In case a member who has not rendered 10 years service, he is eligible to avail the withdrawal benefit or he may avail the Scheme Certificate, at his option. The option should be indicated in the application form.

Claiming of Scheme Certificate

A member who is required to avail the Scheme Certificate compulsorily (when the service is 10 years and above) and the option for Scheme Certificate should be specifically mentioned in the application form. Those who opt for Scheme Certificate instead of Withdrawal Benefit are required to submit the application in Form 10C, through the Employer.

The Scheme Certificate received from the Regional Provident Fund Commissioner should be preserved carefully. It should be submitted to the employer, if the member seeks employment before the age of 58 years. In case of death of the Member, the family can surrender the Scheme Certificate and avail the Family Pension, as admissible under the Pension Scheme.

Claiming of Pension.

A member or the beneficiary can claim Pension through an application in Form 10D in the following cases.

1. On total and permanent incapacity (100% disablement) (without any restriction of service period).
2. On attaining the age of 58 years with eligible service of 10 years.
3. After rendering 10 years service and on leaving the service between 50-57 years. (Reduced Pension can be opted).
4. In case of death of a member while in service or away from service, the eligible family Members/ nominee/ Dependant parents for availing family pension.
5. The Form 10D should be forwarded only through the employer (except in the case of closed establishment) alongwith the documents mentioned. The age of the children should be supported by the school certificate or any valid document.
6. To claim the family pension, the widow/widower may submit only one application on his/her behalf and on behalf of two children. Pension once sanctioned will automatically be passed on
to all the eligible beneficiaries, as indicated in the Pension Payment Order.

**Assurance benefit under Employees’ Deposit Linked Insurance**

Assurance benefit under EDLI scheme is payable only in the case of death of an employee-member while in service. The person(s) who are eligible to Provident Fund benefits are entitled to receive the EDLI benefits.

**Benefits under the Employees’ Deposit Linked Insurance Scheme**

The amount of assurance benefit payable is an amount equal to the average balance in the account of the deceased in the Fund during the preceding 12 months or during the period of his membership whichever is less, except where the average balance exceeds Rs.35,000/- the amount payable shall be Rs.35,000/- plus 25% of the amount in excess of Rs.35,000/- subject to a maximum of Rs.6,00,000/-. The form prescribed for claiming the Assurance benefit under EDLI Scheme, 1976 is Form 5(1F).

### 8. TRANSFER OF PROVIDENT FUND ACCOUNTS

<table>
<thead>
<tr>
<th>S. No.</th>
<th>FORM No.</th>
<th>PURPOSE</th>
<th>SCHEME PROVISIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Form 13 (Revised)-Online through OTCP EPFO</td>
<td>Application for seeking transfer of account by a member.</td>
<td>Section 17-A of the Act/ Para 57 of EPFS, 52</td>
</tr>
</tbody>
</table>

A Provident Fund member, on leaving an establishment and joining another establishment (Whether the Act is applicable or not) can seek transfer of his Provident Fund balances to his new Provident Fund account opened in the transferee establishment. This application should be submitted through the present employer to the Regional Provident Fund Commissioner concerned for effecting the transfer. The member should also ensure that the amount transferred to his present account number is included in the Provident Fund Annual Statement of account of the year in which transfer was effected.

(Refer to further discussion on Universal Account Number to understand the recent change in transfer procedures)

UAN stands for Universal Account Number to be allotted by EPFO. The UAN will act as an umbrella for the multiple Member Ids allotted to an individual by different establishments. The idea is to link multiple Member Identification Numbers (Member Id) allotted to a single member under single Universal Account Number. This will help the member to view details of all the Member Identification Numbers (Member Id) linked to it. If a member is already
allotted Universal Account Number (UAN) then he / she is required to provide the same on
joining new establishment to enable the employer to in-turn mark the new allotted
Member Identification Number (Member Id) to the already allotted Universal Identification
Number (UAN).

10. IMPORTANCE OF NOMINATION FORM

Every employee who joins the EPF Scheme is required to furnish a declaration
and Nomination Form in the prescribed Form No.2 (Revised) to his employer for
onward transmission to the Regional Provident Fund Commissioner concerned. This
nomination form enables the member to give details of his nominee for Provident
Fund and list of family members and nominee for Pension Scheme. There is no
separate nomination form for EDLI Scheme as the PF beneficiary is eligible to receive the
EDLI benefit.

The nomination is considered as a very vital document for each PF member
because in case of death of a Provident Fund member, the Provident Fund balances are
payable to the nominee in the first instance. Only in case there is no valid eligible
nominee, it is distributed to the family members in equal shares. In the absence of
nominee as well as eligible family members, the amount will be distributed to the
legally entitled persons.

Nominee for Provident Fund:

A member having a ‘Family’ viz. wife/husband, children and dependent parents
(according to the definition of family) is required to nominate one or more
persons belonging to his family only. If the member has no family
members, he can nominate any person/s; but if the member acquires a family,
such nomination is deemed as invalid. The member should make a fresh
nomination.

Nominee For Pension

In the case of nomination for pension it may be noted that the family pension
is automatically payable to the family (i.e.) Widow or Widower along with two
children (below 25 years). As such, as long as the family members survive as on
the date of death of the member the pension is payable to them only and the
nomination will have no effect.

Where there is no eligible family member (i.e.) Widow or Widower and
Children below 25 years, as on the date of death of a member then the family
pension is payable to the nominee as given in Form 2. Hence, it is necessary to
file a nomination. The nominee should be from the ‘family’ i.e. the nominee for
Pension need not be the spouse, as he/she is an automatic beneficiary. Hence,
any child (below 25 years) should be nominated for Pension. The nomination
for pension should be in favour of one person only.

12 . SUPPLY OF ANNUAL PF STATEMENT OF ACCOUNTS

The Regional Provident Fund Commissioner sends the individual members EPF Annual Statement of Accounts Slips pertaining to every Financial year (in Form-23) to the employer before 30th of September of the following year for delivery to every EPF member of the Establishment. The same in now being issued online on the employer’s portal.

The Employer should distribute the same to the respective members. Members should satisfy themselves to the correctness of the details indicated in Form-23 slips and any error should be brought to the notice of the Commissioner through the Employer.

The Provident Fund Annual Statement of Account will reflect the Provident Fund balances only. It does not indicate the contributions paid towards Pension Fund. There is no separate Statement of Account issued under the Pension Scheme. It is on account of the fact that the Pension payment is not based on the quantum of contribution paid on behalf of the member. It relates with reference to age, wage and service of the member. In view of the above, the Provident Fund Annual Statement of Account will reflect only the EPF contributions recovered at the rate of 12% or 10% of wages under employee’s share in full and 3.67%/1.67% of wages under the employer’s share (i.e. 12% - 8.33% diverted to Pension Fund).
Chapter IV

WHAT EMPLOYERS SHOULD KNOW

1. ROLE OF THE EMPLOYER

- All employees including contract employees are to be enrolled as Provident Fund members from the date of their joining your establishment.

- Forward the details of employees enrolled as Provident Fund members before 15th of every month to the Regional Provident Fund Commissioner through Form – 5.

- Obtain the Nomination in Form – 2(R) from the member and forward it alongwith Form 5.

- Pay the Provident Fund / Pension / Insurance Fund contributions and Administrative charges before 15th of each month so as to avoid payment of interest & penal damages on belated deposit and to prevent action of prosecution, imprisonment, sale of movable / immovable property, attachment of Bank Account etc.,

- In the case of resignation of an employee, the Provident Fund is payable after 2 months. In such cases, the Form 19 is to be completed duly attested by the employer or authorized officer and deliver it to the employee on the day of his leaving the service. The employee may submit to Regional Provident Fund Commissioner after 2 months, if he is not securing employment.

- Distribute the Provident Fund Annual Statement of Accounts in Form – 23 to all members immediately on its receipt from the Regional Provident Fund Commissioner.

2. DEFAULT IN PAYMENT OF DUES BY EMPLOYER – CONSEQUENCES:

   - Penal Damages upto 25 % per annum and interest at the rate of 12 % payable on defaulted deposits.
   - Attachment of Bank Accounts.
   - Realisation of dues from Debtors.
   - Attachment of movable and immovable properties.
   - Arrest and Detention.
   - Action under Section 406 / 409 of Indian Penal Code.
   - Action under Section 110 Criminal Procedure Code.
   - Prosecution under Section 14 of the EPF & MP Act 1952.
FREQUENTLY ASKED QUESTIONS

EPF MEMBERSHIP

1. I am an employee working in an establishment to which the PF Act is not applicable. Can I become a member of the EPF?

   *An employee can become a member only after the application of the Act to the establishment.*

2. If an employee is not given membership under Employees’ Provident Fund, to whom he can approach?

   *He can approach his employer failing which he can approach the Regional Provident Fund Commissioner.*

3. Whether the employees working in a Branch Unit of an establishment located outside the state is eligible to become a member of the EPF?

   *The Act is applicable to an establishment, its employees, irrespective of their place of work or location.*

4. Can an employee become a member of EPF without any age restriction?

   *There is no age restriction for becoming a member of the Provident Fund, whereas an employee who has already attained the age of 58 cannot become a member of the Pension Fund.*

5. Whether an employee can become a member of EPF without any restriction to his salary/wages?

   *An employee who draws basic wages and dearness allowance (and cash value of food concession) upto Rs.15000/- is alone eligible to become a member. He will continue to be a member even when his pay exceeds Rs.15000/-. However, his contribution to the Fund can be restricted to Rs.15000/-. The employer is also required to pay his matching contribution upto Rs.15000/-.*

6. If an employee is drawing more than Rs.15000/- (Basic + DA only) is he required to become a member of the EPF?

   *Such an employee is not required to become a member, if he is not already holding the PF membership. Otherwise, if both the employer and employee are willing, he can become a*
member by giving option.

7. If an employee is transferred from one establishment to another establishment whether he is required to be enrolled as a member once again?

He is required to be enrolled as a member under the new establishment, for transferring his Provident Fund from his previous account to his new account.

8. If a person is working in an establishment without receiving any wages whether he can be given the PF membership?

Membership is allowed only where the wages are payable to an employee.

9. Whether an employee can become a member of the Pension Scheme only, without contributing to the PF?

No. By virtue of membership of Provident Fund only one can become a member of the Pension Scheme.

10. Whether an employee can continue as a PF member even after his retirement?

Yes.

11. Is there any option available to an employee whether to become a member of the EPF or not?

No.

12. Whether a EPF member can discontinue his membership, while in employment?

No.

13. Where an establishment is having its own recognised private PF whether an employee can be allowed to continue in the private PF without joining the EPF?

If the Act is applicable to that establishment, then he should seek exemption from the EPF Scheme. He will however continue to be governed by the Pension and EDLI Schemes.
14. How the period of non employment between two spells of employment is treated under EPF?

*Non employment period is not affecting the EPF but affects the service for the purpose of Pension.*

15. What will happen to the EPF membership of an employee during the period of closure, lock-out, strike etc.?

*During such period the membership will continue and in the absence of wages no recovery of contribution will be made.*

16. Whether an employer can also join the PF?

*No.*

17. Whether any employee can join the EPF directly?

*No.*

18. A Security Guard is working for different establishment; under whom he is required to secure membership?

*If the employer/recruitment agency of the Security Guard has been brought under the Act, the membership will be given through him, irrespective of his place of work.*

19. If the establishment is not employing 20 persons, whether an employee can join the EPF?

*Yes. The majority of employees and the employer can voluntarily opt for the Act/Schemes through their employer.*

20. Whether an employee drawing Pension under EPS, 1995 is required to join the PF and Pension Fund?

*He is required to join only the PF and not to the Pension Scheme.*

21. An employee who joins an establishment at the age of 58 is eligible to become a member of the Pension Fund?

*No.*
22. How long a member can retain his Provident Fund in his account?

*The membership can be retained till the withdrawal of his Provident Fund dues.*

23. Whether an employer can deduct employer’s share of contribution from the wages of employees?

*No. It is not permissible.*

24. Can the wages be reduced by the employer on account of payment to the EPF?

*No. It is not permissible.*

25. Whether a daily rated employee or the piece rated employee can become a member of the EPF?

*Yes. Irrespective of the nature of employment.*

26. If an employee is paid wages on daily basis or on piece rate basis how the contribution is determined?

*The wages paid in a month will be taken to determine the contribution due.*

27. Whether the member is entitled for full interest on the belated deposit of PF dues by the employer?

*After realizing the dues, the PF members will be given full interest for each due month and it will no way affect the interest due to members on the contributions paid.*

28. An employee is paid subsistence allowance during the period of his suspension. Whether PF contribution is payable on this?

*Yes.*

29. Can an employee contribute to the EPF after leaving the service?

*No. In the absence of wages no recovery can be effected.*

30. The contribution has been recovered from the wages of the employee but the employer had not paid to the EPF. What is the remedy?

*The Employees’ Provident Fund Organisation will invoke penal provisions of the Act to*
recover the dues from the employer. In such cases when the employee leaves/retires the question of payment of employee’s share will be considered for releasing the amount from the “Special Reserve Fund”.

31. What will be the effect of non payment of PF dues by an employer? or How a member is affected for non payment of EPF dues by the employer?

The Provident Fund dues of the member will be paid only to the extent the amount is realised from the employer.

32. Whether an employer can recover any outstanding dues from the PF amount payable to a member?

No. It is totally prohibited.

33. What are the measures by which the PF amount is recovered from a defaulting employer?

Attachment of Bank Accounts, Realisation of dues from Debtors, Attachment of properties, Arrest and Detention, Action under Section 406/409 of Indian Penal Code and Section 110 of Criminal Procedure Code, Prosecution.

34. How a member is informed about the non payment of contributions recovered from the wages of the employee but not paid to the EPF?

The Annual P.F. Statement of Account will indicate only the amount paid by the employer. The default period in a year is thus made known to the members.

35. Whether the P.F. amount credited to the member can be attached against any liability?

No. The Provident Fund enjoys protection against attachment by Court also.

36. When an employer becomes insolvent or when a company is wound up, whether the contributions will be paid in priority over other debts?

Yes.

37. In the case of non payment of PF dues by the employer, how the P.F. members are paid their dues?

The members’ share alone is payable from the Special Reserve Fund. In case the establishment is closed for more than five years or it is under liquidation the question of
38. Can a member demand for showing the recovery of contributions from the employer?

Yes. The contribution card of each member in Form 3-A can be demanded from the employer.

39. How the contract employees are protected and given their P.F. when the contractor is not paying the dues to the principal employer?

It is the duty of the principal employer to ensure that the Contractor discharges his liability.

40. Can a member refuse to part with the payment of contribution to the Pension Fund?

The Pension contribution is only a diversion from the employer’s share of Provident Fund. Hence no consent is required from the member and refusal does not arise.

41. Whether an employer can stop paying Employees’ Provident Fund contribution in respect of a member who had attained the age of 55 or 60?

No. The Employees’ Provident Fund Contribution should be paid till the date of his leaving the service, irrespective of the age of the member.

42. In the absence of nomination, how the P.F. amount of a deceased member is paid?

It is payable to the family members in equal shares, under Para 70 (ii) of EPF Scheme, 1952. If there is no eligible family member, it is payable to the person(s) who are legally entitled to it.

43. What is the need for giving nomination for pension?

On the death of a Pension member (before receiving the pension), if there is no eligible family member, pension is payable to the nominee.

44. Whether the nominee given for pension is applicable for return of capital also?

No. A nominee should be specifically mentioned by the member while applying for his superannuation/early pension in Form 10D. (The nominee may be the same person as given in Form-2)
45. Whether the nomination can be changed?

Yes. Through Form 2. (Available online on Employee’s UAN Login)

46. In the absence of valid nomination to whom the Pension amount is payable?

Payable to the dependent parents, (dependent father followed by dependent mother).

47. Whether a bachelor can nominate any person?

Yes. On acquiring the ‘Family’ the nomination is treated as invalid.

48. What are the advantages of taking a Scheme Certificate?

1) It facilitates transfer of Pension Accounts when the employment is changed.
2) If the Holder of Scheme Certificate dies the family will get family pension.
3) It is like a Policy for Pension without paying the premium.

49. Can a member seek exemption from the Pension Scheme?

Individual member cannot seek exemption from the Pension Scheme.

50. At what age a member is eligible for pension?

A member is eligible for pension on superannuation at the age of 58 years. If a member leaves employment between 50 and 57 years he can avail the early (reduced) pension.

51. What is the service required for giving pension in case of death of the member?

The minimum service of 10 years is only for payment of pension to a member. It is not applicable, where a member dies. The family pension is payable even after receiving one month’s contribution (including part of the month) for Pension Fund.

52. If a member dies to whom the pension is payable?

On death of the member the Pension is automatically payable to the spouse (Widow/Widower). In addition, the children are also eligible (2 at a time).
53. What is Universal Account Number?

UAN stands for Universal Account Number to be allotted by EPFO. The UAN will act as an umbrella for the multiple Member Ids allotted to an individual by different establishments. The idea is to link multiple Member Identification Numbers (Member Id) allotted to a single member under single Universal Account Number. This will help the member to view details of all the Member Identification Numbers (Member Id) linked to it. If a member is already allotted Universal Account Number (UAN) then he / she is required to provide the same on joining new establishment to enable the employer to in-turn mark the new allotted Member Identification Number (Member Id) to the already allotted Universal Identification Number (UAN).

54. Can a pensioner opt for commutation and also return of capital?

Yes. He has to give a specific option for both in the application form.

55. In case the employer has failed to pay the pension contribution whether any pension is payable or not?

Non payment of pension contribution by an employer will not affect the grant of Pension. Pension is guaranteed.

56. Can a pensioner get pension anywhere in the country?

Yes.

57. When the minimum 10 years of service is required for giving pension to an employee what is the service required in case of his death in service?

Even with one month’s service (included part of the month) family pension is payable, in case of death in service.

58. When a member avails reduced pension at the age of 50 can he get his full pension on attaining 58 years?

No. Once Pension is sanctioned it cannot be altered.

59. What are the criteria for determining the date of eligibility for early pension? (Before 58)

The member is required to indicate his option regarding the date from which he requires early pension in the application form.
60. Can a member avail pension even while he is in service?

The member who continues in service even after 58 years can avail the Pension from the age of 58.

61. Can an employee surrender or sell his full pension for getting a lump-sum payment?

No.

62. Is it compulsory to withdraw the pension benefit along-with the P.F. amount?

No. A member can withdraw his PF dues but he can continue to be Pension member. In such cases he can avail the Scheme Certificate.

63. Can a married daughter be excluded from receiving the family pension?

The marital status has no relevance if the children are below 25 years; they are eligible for family pension.

64. When the member has opted for return of capital to be paid after the death of his spouse, whether any family pension is payable to the spouse?

Option of Return of Capital is no longer available.

65. If a member is having two wives to whom the family pension is payable?

If the second marriage is legally valid, it is payable to the eldest with reference to the date of marriage and on her death, payable to the next surviving widow.

66. In the absence of family member whether a pensioner can nominate any other person to receive family pension?

No. In the absence of family member on the date of the death of the member (before eligibility for member pension), the family pension is payable to nominee and in the absence of a valid nomination it is payable to dependent father followed by dependent mother. Once the pension is received by the member there is no validity for nomination. A pensioner cannot nominate any person.

67. What will be the effect of unemployment period under the Pension Scheme?

The unemployment period will be excluded from the actual service.
68. Is it possible to exclude the spouse from receiving the family pension?

No. The spouse is an automatic beneficiary unless she is legally divorced.

69. In the absence of family members and also nominee to whom the pension is payable?

It is payable to the dependent parents.

70. Who is eligible for disablement pension?

Any employee (Pension member) irrespective of age and service who is declared as disabled with 100% disability certified by the designated Hospital and where the member had left service only on account of his disablement is eligible for disablement pension.

71. In case the widow or widower remarries, to whom the family pension is payable?

The pension payable to the widow/widower will be stopped and thereafter the children pension will be converted to orphan pension by giving higher pension.

72. What is the period upto which pension is payable to the widow or widower?

For life.

73. When a member is having children through his first and second wife, how the eligibility for children pension is determined?

The children of both first and second wife should be arranged in the order of their date of birth and then the children pension is allowed.

74. Is it necessary to open a separate bank account to draw the children pension?

Yes.

75. Can the widow and children draw pension in different places/banks?

No. The pension should be drawn by widow and children in the same bank and branch.

76. Who is eligible to get a Scheme Certificate?

A member whose service is 10 years or more and not attained the age of 58 years will be eligible to receive the Scheme Certificate only. A member whose service is less than 10
77. Whether a member/family member can avail 2 pensions under Employees’ Pension Scheme, 1995?

No.

78. When and to whom the pensioner is to give a life and non-remarriage certificate?

All pensioners drawing pension under Employees’ Pension Scheme, 1995 are required to give a Life/Non-Remarriage Certificate, duly attested by the Bank Manager/Gazetted Officer in the month of November each year. To be submitted to the Bank through which the pension is being paid. Failure to submit will result in stoppage of pension from the month of January.

79. Whether a Scheme Certificate holder with a service period of 8 years can avail the withdrawal benefit on surrender of Scheme Certificate.

No. Only on attaining 58 years he can surrender either to avail the Pension (if eligible) or withdrawal benefit.

80. Whether the Orphan Children are eligible for double Orphan Pension where both the parents were making contributions under Employees’ Pension Scheme, 1995?

Yes. The benefit under the Pension Scheme is a direct consequence of the contributions paid by the member of EPS, 1995, hence, if both parents were members and have contributed independently to the said Scheme, the Orphan will be eligible to two pension separately. The normal ceiling as provided for in the Employees’ Pension Scheme shall however, continued to apply.

81. Whether Withdrawal Benefit will be payable to a member in case of defaulting establishment?

In respect of an establishment defaulting in remitting contribution to the Employees Pension Fund 1995 for any period, withdrawal benefit will not be paid to the member in respect of the default period. The member is entitled to withdrawal benefits only in respect of the period for which the contributions are received.

82. Whether Assurance benefit under EDLI Scheme is payable for death away from service?

No. Admissible only in case of death while in service.
83. To whom the EDLI benefit is payable?

EDLI benefit is payable to the persons eligible to receive the EPF dues.

84. In case the PF amount is not settled within 30 days to whom the matter is to be reported?

He can approach the Regional P.F. Commissioner in charge of Grievances or he can appear before the Bhavishyanidhi Adalat being conducted on 10th of every month.

85. Is there any time limit for withdrawal of Provident Fund dues?

Only in the case of resignation from service a member has to wait for a period of two months for withdrawal of the PF dues.

86. When the employer is not attesting the claim form how to submit the application for withdrawal of provident fund?

It is the duty of the employer to attest the application form. In case of any dispute, the member may attain attestation preferably from the bank in which he has maintained his account and thereafter submit the same to Regional PF Commissioner, explaining the reasons for not obtaining the signature of the employer. The Regional P.F. Commissioner will pursue the matter with the employer wherever necessary.

87. What is the time limit fixed for disposal of the application for advances/settlement?

On submission of the claim with full particulars and documents etc, it will be disposed within 30 days.

88. In case of change in employment whether a member can get his PF account transferred?

On change in employment, the member should necessarily get his PF account transferred to his present establishment, duly submitting Form 13(R). Presently the transfer procedure is online through OTCP portal of EPFO.

89. How a PF member will be informed of the transfer effected?

Online status of transfer claims can be checked on the OTCP Portal of EPFO.

90. What is the method of crediting interest to the P.F. subscribers?

The compound interest is credited on monthly running balance basis at the statutory rate declared for each year.
91. Whether the annual statement of accounts will be issued to the members who are out of employment?

Yes. Issued till the account is transferred to Unclaimed Deposit; in such cases the member may approach the Regional P.F. Commissioner concerned for obtaining the statement of account.

92. Is the P.F. Statement of Accounts issued only after full payment of dues by the employer is made for the whole year?

No. The statement is issued to the extent the amount is received in the financial year.

93. Why there is no statement of accounts for pension amount and why the Pension contributions are not shown/reflected in P.F. Annual Statement of Accounts.

The Annual statement of accounts is issued only for the PF balances. The pension contributions are credited to the Pension Fund and no running account is kept in respect of a subscriber because the benefit under Pension Scheme is not related to the quantum of pension contribution paid. It purely relates to the age, wage and service of the member, on exit from employment. As such the pension contributions are not required to be reflected in the PF Annual Statement of Accounts.

94. Whether provident fund provides for any refundable loan for Housing etc.?

No.

95. Whether pension can be paid by money order or cheque?

No. Pension is payable through the designated bank/Post Offices, notified for each region.
SECTION – 2

EMPLOYEE’S STATE INSURANCE ACT’ 1952
EMPLOYERS’ GUIDE TO ESI SCHEME

For a country to grow and develop, there should be sustainable and balanced growth of agricultural and industrial sectors. Thus, industrial sector play a major role in improving the wealth of a country. In order that industries focus on their core areas, i.e., optimum utilisation of the available resources and improving the productivity of the factors of production, without worrying about protecting the workforce from the physical and financial distress arising out of sickness, maternity, employment injury, etc, the ESI Scheme was devised.

The employers play a major role in the functioning of the Scheme, through registration of it’s employees, remittance of contribution and through compliance with the provisions of the Act. This guide is meant to be a reference booklet for the covered and coverable employers, whose role is pivotal for the success of the Scheme.

ABOUT THE ESI SCHEME

1. What is ESI Scheme?
The ESI Scheme is a comprehensive social security scheme devised to protect the employees covered under the Scheme against financial distress arising out of events of sickness, maternity, disablement / death due to employment injuries and to provide medical care to the employees and their families. The Scheme is based on the principle of ‘pooling of risks and resources’, wherein that section of the population which is exposed to risks of the same nature, come together to mitigate the physical and financial distress arising out of such risks.

2. To whom is the Scheme applicable to?
The Scheme is applicable to only those areas where the Scheme is extended / made applicable by the State Government by notification. The Scheme applies to all factories, shops and establishments located in the implemented areas, where ten or more persons are employed. Thus, the Scheme is applicable to all factories, shops, hotels, restaurants, cinema theatres, offices, medical institutions, educational institutions, etc. subject that:

   i. The employer is located in an area to which the Scheme is extended to by the State Government, and
   ii. Ten or more persons are employed

The Scheme is NOT applicable to:

   i. Seasonal factories exclusively engaged in one or more of the following manufacturing processes, viz., cotton ginning, cotton or jute pressing, decortication of ground-nuts, the manufacture of coffee, indigo, lac, rubber, sugar (including gur) or tea or any manufacturing process which
ii. Mines, subject to the operation of the Mines Act.

3. **Which of the employees are eligible to avail benefits under the Scheme?**

All employees of a covered unit, whose monthly remuneration (excluding overtime) does not exceed Rs.21,000/- per month (wef. 01.01.2017), are eligible to avail benefits under the Scheme.

4. **Who is responsible for the administration of the Scheme?**

The Scheme is administered by the Employees State Insurance Corporation, set up under the ESI Act, 1948. The Corporation (similar to Board of Governors) the comprises of representatives of the employers, employees, the Central Government, State Governments, eminent medical professionals and that of the Parliament. Besides the Corporation, there is a Medical Benefit Council which advises the Corporation on matters related to the extension of medical care to the beneficiaries of the Scheme.

The Director-General is the Chief Executive of the Corporation is the ex-officio member of the Corporation. At the state level, Regional boards have been constituted and at the grass-root level, Local Committees have been constituted for the smooth functioning of the Scheme. The Regional Boards and Local Committees comprise of representatives of employers and employees of the respective jurisdiction, so as to cater to the local and varied needs of the employers / employees.

The Corporation has its headquarters at New Delhi, besides regional offices / sub regional offices in the states and over 800 local offices throughout the country. While the administration of the Scheme, including coverage, collection of contribution, disbursement of cash benefits, etc. are under the Corporation, the extension of medical care is administered by the respective State Governments on a cost sharing basis.

5. **How is the Scheme financed?**

The Scheme is funded by the contributions raised from the employees and employers of the covered employers. The rates of contribution, as a percentage of wages paid / payable to the employees, are as under:

- Employees’ contribution – 1.75% of the Wages
- Employers’ contribution – 4.75% of the wages.

Thus, in respect of each of the employee, 6.50% of the wages (including overtime allowance) is to be paid as contribution to Scheme. The Scheme does not receive any budgetary support from the Government. The State governments, as per the provisions of the Act, contribute 12.5% of expenditure on medical care on ESI.
beneficiaries in their respective States within the per capita ceiling.

However, vide notification dated 06.10.2016, Rule 51 of ESI (Central) Rules, 1950 has been amended by inserting Rule 51B, whereby the rate of employees’ contribution has been reduced to 1% and the employer’s contribution has been reduced to 3% of the wages in the first time implemented areas after 06.10.2016 for a period of two years.

6. What benefits do the employers avail under the Scheme?
   The various benefits that the employers reap out of the Scheme are:
   i. No expenditure to be incurred towards administration of medical care to the employees / their dependants.
   ii. No requirement for medical insurance policy as all medical facilities, including Super specialty treatment is extended to the beneficiaries, without any ceiling on expenses.
   iii. Employers are exempted from the provisions of / liabilities under:
       1. Maternity Benefit Act
       2. Employees’ Compensation Act

7. What are the benefits that the employees get out of this Scheme?
   The benefits available under the Scheme to the employees can be categorised under two broad heads, viz., cash benefits and non-cash benefit, viz., medical care.

   **Cash Benefits:**
   i. **Sickness benefit** – for employees during the period of sickness
   ii. **Maternity benefit** – for employees during the period of confinement
   iii. **Disablement benefit:**
       1. Temporary disablement benefit: for employees arising out of employment injury
       2. Permanent disablement benefit: for employees arising out of employment injury
   iv. **Dependants’ benefit** – for dependants of employees; in case of death of employee due to employment injury
   v. **Other benefits:**
       1. Funeral Expenses – to a person who performs the last rites of the deceased employee
       2. Rehabilitation allowance – for employee who is disabled due to employment injury
       3. Vocational rehabilitation - for employee who is disabled due to employment injury
       4. Medical Bonus – for insured woman / wife of employee during confinement
Medical Care:

Employees and their dependants are administered medical care, through ESI dispensaries, hospitals, etc.; in case the requisite facilities are not available in the ESI hospitals, the employees are referred to premier private / government hospitals for medical treatment on ‘cashless’ basis. The employees / dependants of the employees are also entitled for super specialty treatment, without any ceiling on the cost of medical treatment.

Old age medical care: For retired employee and spouse on payment of Rs.120 per year; the beneficiaries are entitled to all medical facilities available in ESI hospitals (not eligible for referral to & treatment at tie-up hospitals).

REGISTRATION, CONTRIBUTION AND ALLIED PROVISIONS

8. How should an employer register as per the provisions of the ESI Act?

Any employer who becomes coverable under the Act can register online (www.esic.in) and get registered. While registering online, the employer has to give correct and complete details. (the employer would be contacted through the email for communicating the access credentials to the employer portal, reset of password, etc.); once registered, the employer will be allotted a 17 digit employer code. Except for employers who supply manpower, all the employers can proceed with the compliance under the Act, without even visiting the ESI offices, as all activities, like registering the employees employed, filing contribution, generating challan for remitting contribution, filing periodical returns, etc. can be done online.

9. Should an employer who has operations all over the country, register only once where it’s head office is located, or should it get registered separately for each of its branch offices also?

An employer who is already registered under the ESI Act (who is having a 17 digit code) need not apply for registration afresh in respect of its branch offices located in different locations of the country. Instead, the employer can get a sub-code generated in respect of its branch offices (can be generated online) so as to comply with the provisions of the Act. Sub-codes need to be generated only in respect of offices located outside the jurisdiction of the Regional Office / Sub-regional office in which the main office is located. In other words, if the branch office is located in the same state in which the main office is also located, a separate sub-code need not be generated for the branch office; the branch can comply under the main code itself.

10. Once registered, can an employer edit the details already furnished online?

As regards details pertaining to the employer, like name of the employer, address,
etc., the employer may submit a request online, supported by documentary evidence, and on approval by the competent authority, the change will get effected in the system. As regards details pertaining to the employees registered by the employer, except for the name and insurance number of the employer, all the other details, including dependant details, address of the employee, etc., can be edited by the employer.

11. How can an employer, who is registered under the Act, register it’s employees under the Scheme?

The employer, once allotted the ESIC registration number, can login to the employer portal and register it’s employees, as soon as they are employed by it. In case of first employment (the employee has not worked anywhere before joining the employer), the employee has to register the employee under the ESI Scheme, submitting the details of the employee, his family members, place of residence of himself and that of his family members, the dispensary to which they want to avail medical treatment, etc; once registration is completed, the employee will be allotted an insurance number, which is unique and will be valid throughout the life of the employee, even if the employee changes job. In case, the employee is already having an insurance number, the employer has to enter that number and proceed with updating the details of the employee.

12. Can an employee, who is already having an insurance number, be allotted an insurance number afresh, when he joins a different organisation?

No. The insurance number is unique for each employee and is valid throughout the life of the employee, irrespective of his changing jobs. The eligibility criteria in respect of various benefits under the ESI Scheme is based on the number of days for which an employee is covered under the Scheme. The number of days for which an employee is covered under the Scheme is reckoned irrespective of the different employers under which the employee has worked. If an employee who is already having an insurance number is registered again, the employee might not satisfy the eligibility criteria in respect of various benefits, and as a result would be denied the benefits, which he /she would have got, had the fact of existing insurance number is disclosed.

13. Should the employer register all the employees employed by it under the Scheme, even if they are not entitled for benefits under the Scheme?

No. As only those of the employees whose monthly remuneration (excluding overtime wages) does not exceed Rs.21,000 per month are entitled for coverage under the Scheme, the employer need to register those employees alone.
(However, for the purpose of coverage under the Scheme, i.e., whether the employer has employed ten or more employees, all employees employed by the employer, irrespective of the salary are reckoned).

14. Is it necessary to register temporary employees, casual labour, etc., employed by the employer apart from registering the employees on their roll?

Yes. All employees, including casual labour, temporary employees, employees employed through contractors (outsourced) etc. have to be registered by the employer.

15. Who is responsible for the registration of contract employees employed in an organisation - the organisation where the contract employees are deployed, or, the contractor who has employed them?

The organisation which utilises the services of the contract employees need not register these employees under the Scheme, if they are already registered by the contractor. However, as the principal employer, that organisation would be responsible for the remittance of contribution in respect of such employees by the contractor under the ESI Act. So, the organisation employing outsourced employees should ensure that the contractor through whom these employees are employed is complying under the provisions of the Act.

16. What is the proof of registration of employees?

Once registered, in respect of employees who are being registered under the Scheme afresh, an insurance number is allotted and a Temporary Identity Card (TIC) is generated; this TIC is valid for a period of 3 months from the date of registration, within which the employee has to enrol for the Pehchan card. In case of employees who are already registered, their name would be linked to the current employer, which can be checked in the employer’s portal as well as the employees’ portal. Presently the TIC has to be linked with the Aadhar No. of the IP and his/her family members within the date mentioned on the TIC.

17. Whether any special provisions are there in respect of for physically disabled employees?

Yes. In respect of physically disabled employees, the wage ceiling is Rs.25,000/-, i.e., they are entitled to the benefits under the Scheme, till their monthly remuneration exceeds Rs.25,000 per month. As regards remittance of contribution, the employer is exempt from payment of contribution for four year in respect of the disabled employees (the Central government remits the contribution on their behalf). (However, the employee’s share need to be remitted by the employer).
18. What is the procedure for availing the special provisions in respect of physically disabled employees?

For availing the benefits of this provision, the disabled employee has to be registered as if he / she is an employee without any disability; subsequent to registration, the employer need to approach the branch office along with the documents in proof of the disability (for eg. certificate of disability issued by a Civil Surgeon). On submission of these documents, the branch manager would incorporate the details of disability in the system; once incorporated, these special provisions would come in to effect.

19. Are there any other exemptions in respect of any special category of employees ?

Yes. In respect of employees whose average daily wages is less than Rs.100 per day, the employee’s share need not be paid. However, the employer’s share (4.75% of the wages) need to be paid.

20. How is contribution to be paid by an employer arrived at and submitted ?

The employer has to file the details of contribution payable in respect of each month, latest by the 15th of the succeeding month, online. If the contribution is not filed and the amount payable remitted by 15th of the succeeding month, the employer would be liable to pay interest and damages for delayed payment. The employer can file the contribution in the respective screens in the employer portal, or it can use the prescribed spreadsheet template (MS-Excel) which can be downloaded from the employer portal and upload the template file, duly filled in.

21. Once contributions is filed and the amount payable arrived at, what is the mode of remittance of the contribution?

Once the contribution payable is arrived at, challan has to be generated for the said amount. Once the challan is generated, the same has to be paid online through the “Pay e-challan” link provided on the portal. (www.esic.in)

PEHCHAN CARD

22. What is Pehchan card?

All the employees who are entitled to benefits under the Scheme are issued a set of two smart cards, christened ‘Pehchan Card’. Using this card, the employee can go to the ESI dispensary and avail medical treatment. One card is meant for the employee, i.e., the Insured Person (IP), and the other card is meant for the family members. In case the family members of the IP are staying in a different town / city, they can avail medical facilities of ESI Scheme in a dispensary located near...
their residence with the other card. The Pehchan card has the insurance number, name of the IP and the photograph of the IP/ family members printed on it. This pehchaan card has now been replaced by E-pehchan card, where the TIC issued by the ESIC portal has to be linked with Aadhar of the employee and his family members to avail the benefits under ESI.

23. What is the procedure for obtaining the E-Pehchan card?

a. On the employer registering the employee, an insurance number is generated and the employee becomes an Insured Person (IP). The employer has to take a print of the Temporary Identity Card (TIC), generated after completing the registration of the employee; the TIC, along with the family photo of the IP, both duly attested by the employer, should be handed over to the IP. The TIC has to be linked with the Aadhar of the IP and his family members to generate the E-Pehchan Card.

24. Can the family members of the IP enrol in their place of residence while the IP enrol in his place of work, where the IP and his / her family members are residing in some other town / village / state?

Yes. The IP, after enrolling himself / herself, may send the duly attested TIC and family photo by post to his / her family members, who in turn can enrol in the ESI office near their residence.

25. Will the IP get a new card if he / she changes employment?

No. The Pehchan cards issued is for life. The IP should use the same card even if he / she changes employment.

BENEFITS

26. What are ‘contribution periods’ and ‘benefit periods’?

A financial year is divided into two six months span, i.e., April to September and October to March. Each of the six monthly period is called a ‘contribution period’. Similarly, a calendar year is divided into two six monthly span, i.e., January to June and July to December, with each of the six monthly period being called a ‘benefit period’. For the contribution paid in the contribution period from April to September, an IP would be eligible for benefit in the period from January to June. Similarly, for the contribution paid in the period from July to December, the IP becomes entitled to benefits in the benefit period from July to December. Thus, the entitlement to benefits of an IP during a benefit period is decided based upon the number of days for which contribution is being paid in the contribution period corresponding to the benefit period.
27. How superior is the ESI Scheme as compared to the Mediclaim policy / Group mediclaim policy issued by the general insurance companies?

The benefits under the ESI Scheme are far superior as compared with the risks covered under the mediclaim policies. Medical care is only one of the many benefits available to the beneficiaries under the Scheme. Even this one benefit comes out far superior when compared with the mediclaim policies, as detailed below:

<table>
<thead>
<tr>
<th>Commercial medical insurance</th>
<th>ESI Scheme - medical benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial motive</td>
<td>Welfare motive</td>
</tr>
<tr>
<td>Premium based on age, sum insured &amp; claims Experience</td>
<td>Uniform rate of contribution for all age groups</td>
</tr>
<tr>
<td>Medical check up reqd. for certain persons</td>
<td>No medical checkup required for anyone</td>
</tr>
<tr>
<td>Ceiling on overall benefit (sum insured) as well as compartmental limits</td>
<td>No limit on medical benefit</td>
</tr>
<tr>
<td>Exclusions prescribed</td>
<td>No exclusions</td>
</tr>
<tr>
<td>Extra premium for covering family of insured person (IP)</td>
<td>Family members of IP covered at no extra cost</td>
</tr>
<tr>
<td>Only medical benefit</td>
<td>Provides many benefits in addition to medical benefit</td>
</tr>
<tr>
<td>Choice of class of treatment(general ward, pvt. / semi pvt. ward, etc.)</td>
<td>No choice of class of treatment-only general ward</td>
</tr>
</tbody>
</table>

28. What is medical benefit?

Medical benefit means medical care to the IPs and their families. Medical benefit is provided in kind through a network of hospitals and dispensaries coming under the administrative control of the State Government and through ESIC Model Hospitals and Hospitals coming under the administrative control of the ESI Corporation. This benefit is uniform to all according to their requirement without disparity or linking it to their wages and contributions paid. It is the only health insurance scheme in the world, which has no upper ceiling on expenditure on medical care of beneficiaries.

29. What are the eligibility conditions to become entitled to medical benefit?

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 continue in insurable
employment for three months or more, the benefit is admissible till the beginning of the corresponding benefit period. If the insured person is under ESI coverage for at least two 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 2 years for self and family.

30. Whether the family members of the IP who are staying in a different place from that of the IP avail medical care in their place of residence?

In case the family members of the IP are staying in a different town / city from that of the IP, and this fact is declared online by the employer, they can avail medical facilities of ESI Scheme in a dispensary located near their residence with the pehchan card. (the IPs are given a set of two pehchan cards).

31. What is the procedure to avail medical benefit when an insured person leaves station for a temporary period?

While leaving the station, the insured person may obtain a certificate of employment from his employer in Form ESIC – 105. Based on this certificate and pehchan card, the insured person can avail medical benefit in any ESI Dispensary/Hospital across the country. On the basis of the Pehchan card, the insured person and his /her family can avail medical benefit in any ESI Dispensary/Hospital after the computerisation process is completed.

32. How are medical treatment administered to the beneficiaries if any of the ESI hospitals are not having the requisite facilities (super specialty treatment)?

The State Medical Commissioner/Medical Superintendents of ESIC Hospitals/Director, ESI (Medical) Services, have entered into tie-up arrangements with recognized medical institutions to provide cashless treatment to insured persons and their family members for treatment that are not available in ESI/ESIC institutions to ensure that the ESI beneficiaries are provided full medical care. In order to avail treatment in such hospitals, the insured persons are required to obtain eligibility certificate from the concerned Insurance Medical Officer of ESI/ESIC hospital, referring the insured person or his dependents to such hospitals.

33. What are the eligibility conditions for availing the super specialty treatment? The eligibility conditions are as follows:

- An insured person who is eligible for medical treatment is entitled to avail Super Speciality treatment, for self and his/her family.
- A newly registered employee is entitled to avail super speciality treatment for self, on completion of three months of service in insurable employment and...
contribution should have been paid/payable for not less than 39 days during that period.

- A newly registered employee’s dependents are entitled to super speciality treatment on completion of six months of service in insurable employment and contribution should have been paid/payable for not less than 78 days during that period.

The concepts of contribution period and benefit period will not apply while deciding the eligibility of an IP for Super specialty treatment.

34. Whether a beneficiary can avail the super specialty treatment in a state different from that of the state in which the IP is registered?

Yes. The procedure for the same is as follows:

i. The referring hospital/dispensary shall send a copy of the reference slip to the SSMC/SMC of the referring and the referred state from where the patient wants to avail, the required super-speciality treatment.

ii. SSMC/SMC of the state from where the patient wants to take treatment, shall intimate the network/tie-up hospital for providing necessary/required treatment. Thereafter, the bill for payment may be sent to the SSMC/SMC of the state from where he was referred on completion of treatment.

35. A brief note on the infrastructure for ESIC for extending medical care to the beneficiaries.

Since the inception of the scheme, the infrastructural network of the Scheme has been expanding to meet the social security requirements of an ever increasing worker population. Full range of medical, surgical and 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 speciality consultation and treatment, ambulance services, provision of artificial appliances etc are provided to the ESI beneficiaries through a network of dispensaries/hospitals and recognized medical institutions where tie-up arrangements have been entered into to provide cashless treatment.

The ESIC hospitals at Rajajinagar and Peenya and ESI Hospital at Indiranagar in Bangalore have been provided with sophisticated equipments for detection and treatment of various diseases. ESI Hospital at Indiranagar has facility for dialysis and the ESIC hospital at Rajajinagar has been modernized and has upgraded facilities viz., C.T. Scan, MRI, Blood bank, ICU. centralized gas pipe line, modern laundry and kitchen. Further, ESIC has entered into MOU with Jayadeva Institute of Cardiology and commissioned cardiac centre at ESIC Model Hospital.
36. What is sickness benefit?

Sickness signifies a state of health necessitating medical treatment and attendance and abstention by the IP from work on medical grounds. Financial support extended by the ESI Corporation in such a contingency is called Sickness Benefit. This benefit is paid for the period of abstention, duly certified by the Authorized Medical Officer.

37. What are the eligibility conditions for availing sickness benefit?

The eligibility criterion for availing sickness benefit are as follows:

- On completion of nine months in insurable employment.
- Should have paid contributions for not less than 78 days in the corresponding contribution period.
- Eligible for 91 days Sickness Benefit in two consecutive benefit periods.
- Benefit is not paid for an initial period of two days during the certified period of illness known as waiting days.

If the insured person is certified sick within 15 days of the last spell, the waiting period is not reckoned and benefit is payable from the beginning of the spell.

38. What is the quantum of sickness benefit payable?

Sickness Benefit is payable @ 70% of the average daily wages of the IP.

39. What is Extended Sickness Benefit?

Extended Sickness Benefit is paid for prolonged illness due to 34 specified diseases, over and above the sickness benefit. Extended sickness benefit may also be sanctioned by the prescribed authority in case of any rare disease or special circumstances on the recommendation of the specified authority.

40. What are the conditions for availing Extended Sickness Benefit?

The eligibility criteria for availing Extended Sickness Benefit are:

- Should be an insured person on the date of commencement of spell of extended sickness benefit.
- Should have been employed continuously for a period of 2 years or more in covered factory or establishment.
- Continuous employment means that the insured person should have completed four contribution periods immediately preceding the spell of sickness.
- Contributions should have been paid/payable for 156 days in the above said four contribution period.
- The insured person should be eligible to claim sickness benefit in at least one
of the four contribution periods.

The above conditions may be relaxed on humanitarian grounds, subject to sanction by the appropriate authority and based on the following criterion:

- Those who have not completed two years but have paid contributions for 156 days and also qualified for SB in one of the contribution periods.
- Those who have completed two years and also paid contributions for 156 days, but are not eligible for SB in any contribution period.

41. What is the scale of Extended Sickness Benefit payable?

The scale of benefit is as follows:

- After exhausting 91 days of Sickness Benefit, ESB is payable upto 124/309 days i.e., which includes SB for 91 upto 400 days.
- Upto 2 years i.e., 730 days in special circumstances or till the insured person attains 60 years, whichever is earlier, subject to recommendations of the appropriate authority.
- Payable @ 80% of average daily wages.

42. What is enhanced sickness benefit and who can be availed?

To promote the norms of small family, this cash benefit is paid to the insured person for undergoing vasectomy/tubectomy operation. The eligibility criteria and scale of benefit are:

- Should have paid contributions for not less than 78 days in the corresponding contribution period.
- Benefit payable for 14 days for tubectomy and 7 days for vasectomy.
- For post operative complications of tubectomy, benefit can be extended by the appropriate authority beyond 21 days.
- Benefit is payable @ 100% of average daily wages.

43. What is an employment injury?

It is a personal injury 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. The law relating to employment injury has been liberalized. An accident arising in the course of employment is presumed also to have arisen out of employment if there is no evidence to the contrary. An accident which may occur while commuting between the place of residence and workplace is also treated as notional extension of employment, and as a result, and the injury sustained from such an accident is construed as employment injury, if, the nexus between the time, place and circumstances and employment is established, for purpose of disablement or death benefit.
44. Whether the employer is entitled to claim reimbursement in respect of first aid, medical care and transport of the IP who has sustained employment injury?

Yes. The employer could furnish the claim along with the supporting document in respect of the expenditure incurred, along with the undertaking from the IP that he/she has not borne any of the expenditure for which reimbursement is being claimed by the employer. The employer should also ensure that Accident report in form-12 is submitted to the branch office to which it is attached to, at the earliest (the report may also be submitted online).

45. What is disablement?

Disablement is a condition resulting from employment injury which may render the insured persons disabled. The various types of disablement are:

i. Temporary disablement - rendering an insured person incapable of work temporarily and necessitating medical treatment.

ii. Permanent Partial disablement – reducing the earning capacity of the insured person.

iii. Permanent Total disablement – totally depriving the insured person of the power to do any work.

46. Which of the diseases fall under the category ‘occupational diseases’?

Occupational diseases are such diseases that the IP is susceptible to as a result of engaging in a specific occupation. Contracting any disease while in employment for a specified period in any of the industries listed in Part, A, B & C of Schedule III of the ESI Act, which enumerates the industrial processes involving exposure to the diseases and the corresponding compensable occupational diseases, are thus recognized for payment of disablement benefits without any further evidence.

47. 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 certified by an authorized Medical Officer. The salient features and scale of benefit are as follows:-

- From the very first day of entering into insurable employment, the insured person is entitled to this benefit irrespective of having paid any contribution.
- Temporary Disablement Benefit is payable to the insured person after the accident is accepted as employment injury.
- The benefit is payable as long as the temporary disablement lasts and is duly certified.
- The quantum of benefit is 90% of average daily wages.
48. What is Permanent Disablement Benefit?
Due to employment injury, if an insured person has any residual disability of permanent nature, the insured person is referred to a medical board and the loss of earning capacity is assessed, if any, as per Schedule II of the ESI Act, as well as non-scheduled injuries resulting from employment injury. Thereafter the insured person is paid monthly periodical payments of permanent disablement for life from the date of termination of temporary disablement benefit at the percentage awarded by the Medical Board out of the full daily rate of temporary disablement benefit. In case, the insured person has not been certified temporarily disabled between the date of injury and the date of assessment by the medical board, permanent disablement if assessed is payable from the following date of employment injury due to accident.

49. How is Permanent Disablement Benefit disbursed to the IPs?
The benefit is processed by the Regional Office/Sub Regional Offices/Divisional Office and credited to the bank account of the insured person every month. Payments are disbursed by Branch Offices in respect of cases not processed RO/SRO/DO. The insured person can also opt for the payment in lump sum, if his daily rate of Permanent disablement benefit does not exceed rupees five per day or in case it exceeds rupees five per day, but the commuted value does not exceed rupees thirty thousand. The insured person is required to submit life certificate once a year during the month of January every year and an amount of Rs.100/- would be paid as conveyance to the concerned insured person.

50. What is Dependant Benefit?
Dependent’s benefit is a monthly pension payable to the eligible dependents of an insured person who dies as a result of an employment injury or occupational disease. Dependent benefit is payable from the next day of death. The eligibility condition, periodical payment, mode of payment and the calculation of the rate of benefit are similar to Permanent Disablement benefit.

51. What is the quantum of dependant benefit payable among the dependants of a deceased IP?
The dependant benefit is distributed amongst the eligible dependents in the following ratio:-

- Widow – till life or re-marriage – @ 3/5th of full rate
- Widowed mother - @ 3/5th of full rate
- Sons - @ 2/5th of the full rate till he attains the age of twenty five years and is dependent
- Daughters - @ 2/5th of the full rate until marriage.
If the son or daughter is infirm and wholly dependent on the earnings of the insured person, at the time of death of insured person, will continue to receive benefit even after attaining 25 years /marriage as the case may be.

If the insured person has no family of his own, the dependent parents are entitled to 3/10th each of the full rate.

While calculating the rate, if the total dependents' benefit for all the dependents exceeds the full rate at any time, the share of each dependent should be proportionately reduced, so that the total amount payable to all dependents does not exceed the full rate. Further, the ESI Corporation has enhanced the minimum pension to Rs.1200/- per family.

52. Is there any provision in the Scheme to rehabilitate the IP who are disabled due to employment injury?

Vocational Rehabilitation Scheme for disabled IPs is provided to insured persons whose loss of earning capacity resulting from employment injury has been assessed as not less than 40% as per the Second Schedule to the Act and for scheduled as well as non-scheduled injuries resulting from and employment injury. Subject to the following:

- Should be in receipt of PDB
- Should not be in any gainful employment
- Should not be more than 45 years of age as on the date of his application

A cash allowance of Rs.123/- per day will be paid by the centre/vocational rehabilitation centre during the period of training and conveyance /journey fare by second class railway/bus whoever is applicable will be paid.

53. What is maternity benefit?

Maternity Benefit is cash payable to an insured woman for a specified period of abstention from work, due to confinement, miscarriage or sickness arising out of pregnancy, pre-mature birth of child or miscarriage or confinement. ‘Confinement’ connotes labour resulting in the delivery of a living child or labour after 26 weeks of pregnancy whether the resultant issue is alive or dead.

‘Miscarriage’ means expulsion of the contents of a pregnant uterus at any period prior to or during the 26th week of pregnancy. Criminal abortion or miscarriage does not entitle the insured woman the benefit.

54. What are the conditions subject to which maternity benefit is payable?

The conditions for availing maternity benefit are as follows:
Payment of contribution for not less than 70 days in the immediately preceding two contribution periods.

Confinement should actually occur or expected to occur in a benefit period relevant to the insured woman, i.e., if she actually confines or expected to confine before the start of the first benefit period, is not entitled to claim, even though, a part of the maternity leave will fall within her first benefit period.

If an insured woman’s actual date or expected date of confinement, falls within her first benefit period, she will be entitled to maternity benefit even if a part of the maternity leave may fall before the start of the first benefit period.

Upto 12 weeks in the case of normal delivery, upto 6 weeks in the case of miscarriage. Extendable by 4 weeks on medical advice.

Benefit payable at almost 100% of average daily wages.

Benefit is paid only if the insured woman does not work for remuneration during the period for which benefit is claimed irrespective whether she received any leave wages also for the days of abstention or was on strike during the same period.

55. What is medical bonus?

Medical Bonus is lump sum payment made to an insured woman or an insured person in respect of his wife towards confinement expenses, if the confinement occurs at a place where facilities under the ESI Scheme were not available. An amount of Rs.2,500/- are payable for each confinement and are restricted upto only two confinements.

56. What are the provisions regarding defrayment of funeral expenses ?

A lump sum payment 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. The funeral expenditure can be claimed subject to the following :-

- The insured person should have been an insured person at the time of his/her death.
- There is no contributory condition for admissibility to this benefit but should be entitled at least to medical benefit on date of death.
- The dependents of an insured person in receipt of Permanent Disablement Benefit, even though may not have been in insurable employment at the time of death, can claim funeral expenditure.
- The actual amount incurred or a maximum amount of Rs.10,000/- whichever is less, is payable to the claimant based on proof of death of insured person.

57. Are there any benefits for the IPs who are rendered unemployed ?

Yes. An insured person is entitled to claim unemployment allowance under Rajiv
Handbook on:
Employee's Provident Fund and Miscellaneous Provisions Act' 1952
Employees’ State Insurance Act’ 1948

Gandhi Shramik Kalyan Yojana (RGSKY), subject to the following situations – He / she is rendered unemployed due to retrenchment or closure of an factory/establishment as defined under the Industrial Disputes Act, 1947 and due to permanent invalidity above 40% arising due to non-employment injury and which is duly certified by a Medical Board duly constituted by the State or Central Government. The insured person is required to fulfil the following criterion to claim the allowance:

- The applicant should have been an insured person as per the ESI Act as on the date of loss of employment due to retrenchment, closure or permanent invalidity arising out of non-employment injury.
- Contributions should have paid payable for a minimum period of three years prior to the loss of employment,
- Should have paid 156 days or more in any two consecutive contribution periods which are to be reckoned.
- Claim should be submitted within 9 months from the date of being rendered unemployed.
- The benefit is payable for a maximum period of twelve months during their entire life time.
- Entitled to medical benefit along with their dependent family members during the period from ESI Hospital/dispensaries, panel doctors to which they were attached prior to loss of employment.
- Benefit is payable @ 50% of the average daily wages.

58. Is there any provision to rehabilitate the IP who are rendered unemployed?
Yes. The insured person entitled to this skill development scheme should be in receipt of unemployment allowance under RGSKY.
- The duration of the course is for a maximum period of six months and within the period when they are receiving unemployment allowance
- Should not go beyond the last date of receipt of RGSKY

Training is admissible only once in the entire life time.

59. Are there any benefits for the retired IPs and permanently disabled IPs who cease to be in insurable employment under the Scheme?

a. An insured person who ceases to be in insurable employment on account of permanent disablement can receive medical benefit till the date on which he would have vacated employment on attaining the age of superannuation had he not sustained such permanent disablement.

b. An insured person who has attained the age of superannuation or retires under voluntary retirement scheme or takes premature retirement and their spouse can avail medical treatment.
The above insured persons can avail the benefit subject to the following eligibility criteria:

- Should have been an insured person on the date of leaving employment due to superannuation, voluntary retirement or premature retirement.
- Submits proof that he has remitted contributions for not less than 5 years.
- No other member of the family other than the spouse shall be eligible for this benefit.
- Entitled to medical facilities as if he is a regular insured person, except that super speciality treatment will be not be admissible to such a person and his spouse.
- On the death of insured person, the spouse will be entitled to medical care upto the date the insured person would have been entitled had he/she been alive.

It is to be noted that insured persons who have voluntarily retired / prematurely retired w.e.f. 1.6.2010 are entitled to avail this facility.

60. Which office should the IP / employer approach for availing the benefits under the Scheme?

The IP / beneficiaries have to approach the branch office to which they are attached to, for availing the benefits under the Scheme.

61. Can the IPs avail more than one cash benefits at a time?

An insured person shall not be entitled to receive for the same period —

i. both sickness benefit and maternity benefit; or
ii. both sickness benefit and disablement benefit for temporary disablement.
iii. both maternity benefit and disablement benefit for temporary disablement.

Where a person is entitled to more than one of the benefits mentioned in subsection (1), he / she shall be entitled to choose which benefit he / she shall receive.

MISCELLANEOUS PROVISIONS

62. How can an IP ascertain the details of contribution paid, his / her eligibility to various benefits, etc?

The IP can log on to the IP portal (www.esic.in/employeeportal/login.aspx) with their insurance number as the user id and ascertain the details of contribution paid on their behalf, their entitlement to various benefits, etc.