

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**UNSTARRED QUESTION NO. 2417
TO BE ANSWERED ON 08.07.2019**

EMPLOYERS/EMPLOYEES UNDER ESI SCHEME

**2417. SHRI KULDEEP RAI SHARMA:
DR. SUBHASH RAMRAO BHAMRE:
DR. HEENA GAVIT:
SHRI BIDYUT BARAN MAHATO:
SHRIMATI SUPRIYA SULE:
SHRI MOHANBHAI KALYANJI KUNDARIYA:
DR. AMOL RAMSING KOLHE:**

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether there has been a substantial rise in the number of people being brought under the ESI Scheme and the number of employers who opted for it;**
- (b) if so, the details thereof for the last three years and the current year;**
- (c) whether the Government proposes to reduce employees as well as employers contribution to Employee's State Insurance scheme;**
- (d) if so, the details thereof and the reasons therefor along with the objective behind the move;**
- (e) whether the representatives of Employee's unions have strongly opposed the said proposal;**
- (f) if so, the details thereof along with the response of the Government thereto; and**
- (g) the other steps taken by the Government to bring more people under the ESI scheme?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a): Yes sir. There has been a substantial rise in the number of employees as well as employers covered under the ESI Scheme.

Contd..2/-

(b):

Year	No. of employers (in lakhs)	No. of Insured Persons (IPs) (in crores)
2015-16	7.84	2.14
2016-17	8.98	3.20
2017-18	10.34	3.43
2018-19 (Provisional)	12.85	3.60

(c) to (f): Proposal for rationalisation of ESI contribution rates was placed before the ESI Corporation in its 173rd Meeting held on 16.02.2018 where it was decided to constitute a Sub-Committee consisting of Employers' and Employees' representatives to examine the issue. The Committee recommended reduction in rate of ESI contribution to 5 per cent (Employers' contribution @ 4 per cent and Employees' contribution @ 1 per cent). The report of the Sub-Committee was placed before the Corporation in its 175th Meeting held on 18.09.2018. The Corporation also authorised the Chairman, ESIC to consider various suggestions received and take a final decision in this regard. Thereafter, keeping in view the overall financial position of the Corporation, the Chairman, ESIC Corporation /Minister, Labour and Employment decided to further reduce the rate of contribution to 4 per cent (Employers' contribution @ 3.25 per cent and Employees' contribution @ 0.75 per cent) and accordingly notification has been issued by the Government. The reduced rate is effective from 01.07.2019. The reduction in rate of contribution will reduce the burden on employees & employers; improve the coverage as well as compliance and also contribute towards "Ease of doing Business".

(g): Under ESIC 2.0 programme, ESI Scheme is to be extended to all districts of the country. Periodical surveys are conducted for bringing more units and their employees under the coverage of ESI Scheme. As on date number of fully and partially implemented districts under ESI Scheme is 354 and 187 respectively.
