

A large, stylized yellow graphic in the top-left corner of the page. It consists of a large circle divided into four quadrants by a vertical and a horizontal line. The top-left and bottom-right quadrants are filled with a solid yellow color, while the top-right and bottom-left quadrants are empty, showing the blue background.

# GRC BULLETIN

OCTOBER - 2024, VOLUME: I

**ESIC**  
Guide For Employers

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# LABOUR LAWS

## Authority

Employees' State Insurance Corporation

## Circular Date

Sep 10, 2024

## Circular Number

NA

## Effective Date

Sep 10, 2024

# ESIC PUBLISHED - A GUIDE FOR EMPLOYERS

## *Applicability:*

*Applicable to employers in establishments or factories employing 10 or more employees (20 in some states) and to employees earning a monthly wage of Rs. 21,000 or less (Rs. 25,000 for employees with disabilities)*

The Employees' State Insurance Corporation (ESIC) operates under the Employees' State Insurance (ESI) Act, 1948, with the objective of providing comprehensive social insurance and health benefits to employees and their dependents in India. The ESI Scheme is aimed at covering workers in case of sickness, maternity, disablement, employment-related injury, and death. Employers of covered factories and establishments must register with the ESIC, contribute regularly, and ensure that their workers receive medical and cash benefits. With over 13 crore beneficiaries, the scheme provides medical services through its extensive network of dispensaries and hospitals across India.

## **ESIC Registration & Coverage**

- Employers must register their establishment under the ESIC Act if they have 10 or more employees (or 20 in some states) and if the establishment is in a notified area.
- Registration must be done within 15 days from the date the Act becomes applicable to the establishment.

## **Employee Registration**

- All employees earning up to Rs. 21,000 per month (Rs. 25,000 for employees with disabilities) must be covered.
- Employers are responsible for registering eligible employees and ensuring that Aadhaar seeding is completed for all covered employees and their family members.

## **Contributions**

- The employer contributes 3.25% of the employee's wages, while the employee contributes 0.75%.
- Contribution should be paid within 15 days of the following month.
- Employees earning less than Rs. 176/day are exempt from their share of contributions, though employers still need to contribute their part.
- E-Pehchan Card & Aadhar Seeding



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- Upon registration, employees receive an e-Pehchan Card.
- Employers must facilitate the seeding of Aadhaar details for employees and their families through the ESIC portal.

### Record Maintenance

- Employers must maintain essential records such as a Muster Roll, Form-6, wage records, accident registers, and ensure that an Inspection Book is updated as required by ESIC laws.

### Filing Returns

- Employers are required to submit monthly contribution returns within 15 days of the following month.
- Annual returns (Form 01-A) and contribution period returns (bi-annually) must be submitted as per statutory timelines.

### Reporting Accidents

- Employers must report accidents within 24 hours if they result in disablement or death. Minor accidents that don't lead to an absence from work need not be reported.
- Penalties for Non-Compliance
- Delayed payments attract interest at 12% per annum and penalties based on the duration of the delay, ranging from 5% to 25%. Damages could increase to 100% for long delays.
- Prosecution under Section 85 of the ESI Act may be initiated for failure to pay contributions on time.

### Redressal of Grievances

- Employers and employees can address grievances through the Public Grievances Redressal System and via ESIC's helpline numbers or online portals.
- Including these points in your newsletter can help employers and HR teams stay informed and compliant with ESIC regulations.

**SOURCE:** [Click Here for more details](#)



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