

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

**UNSTARRED QUESTION NO. 1567
TO BE ANSWERED ON 05.03.2018**

CONSTRUCTION WORKERS UNDER ESI SCHEME

†1567. SHRI RAJESH KUMAR DIWAKER:

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

- (a) whether construction companies are deducting ESI and PF from the workers working in construction sector and if so, the details thereof;**
- (b) whether the facility of ESI hospitals is available to the workers working in construction sector and if so, the details thereof along with the distance from the site at which such hospitals are located;**
- (c) whether the Government is providing/proposes to provide healthcare facility in the nearby private hospitals in lieu of deducting ESI contribution from the workers' salaries and if so, the details thereof;**
- (d) whether any worker not working in any construction company regularly, after a gap of short period, starts working in another construction company, whether such worker would continue to get benefit of ESI and PF facilities; and**
- (e) if so, the details thereof?**

ANSWER

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

(a): Yes, Madam. It is informed that by virtue of Section 1(3) (a) of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, the Act applies to an establishment employing 20 or more persons and engaged in Industry specified in Schedule-I. Building and Construction establishments have been included in the Schedule-I of the Act vide notification of the Government of India in the Ministry of Labour & Employment No. G.S.R. 1069 dated the 11th October, 1980 which came into force on the 31st October, 1980.

As per Section 6 contribution shall be paid by the employer to the provident fund in respect of each employee of covered establishment. The contribution shall be 12% of the basic wage DA and retaining allowance, if any. The employees' contribution shall be equal to the contribution payable by employer in respect of him.

Contd..2/-

As regards ESI deduction, the construction companies situated in ESI Implemented areas and have registered themselves under the ESI Act are deducting ESI Contribution from the salary of their workers covered under the Act. However, more than 20 companies from Andhra Pradesh, Bihar, Delhi, Gujarat, Goa, Madhya Pradesh, Tamilnadu and Telangana have disputed the coverage and have moved to Court. The matter is sub-judice. The details of contribution received from the construction companies are as under:-

Sl. No.	Total No. of Construction Companies registered as on 01.03.2018	Contribution 2016-2017	Contribution 2017-18(upto 12/2017)
1	27009	239.95 crores	263.17 crores

(b): Workers working in construction sector which is covered under ESI scheme only are entitled to facility of availing medical benefits from ESI Hospital/dispensaries or through private tie-up Hospitals of ESI Scheme, as per norms.

(c): The medical benefits under ESI Act 1948 are available to Insured persons of ESI Scheme.

(d) & (e): Yes, Madam. As per Para 26 (1) (a) every employee employed in or in connection with the work of establishment to which Employees' Provident Funds Scheme, 1952 applies other than excluded employee shall be entitled and required to become a member of the fund.

As regard retention of membership under EPF, as per para 26A of the Employees Provident Funds, 1952 a member of the fund shall continue to be a member until he withdraws under para 69 the amount standing to his credit in his provident fund account. Accordingly, he would continue to get the benefits of EPF.

As regards ESIC construction worker covered under ESI Act is allotted an IP number on first registration. The IP number is retained on change of employment and benefits are determined on the basis of number of days for which the contributions is received in respect of such employee. An employee who is eligible for sickness benefit will continue to get the benefit till the end of benefit period.

If an employee in respect of whom contribution is received during April to September, will continue to be entitled for benefits till June 30th of the following year. Similarly, if contribution is received made during the contribution period October to March, the Insured Person will continue to be entitled for benefit till December of the year.