2411. SHRI SRIRANGA APPA BARNE:
   DR. PRITAM GOPINATHRAO MUNDE:
   SHRI VINAYAK RAUT:
   SHRI H. VASANTHAKUMAR:
   SHRI GIRISH BHALCHANDRA BAPAT:
   SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:

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

(a) whether the Central Government has announced a cut in contributions made by employers and employees towards the health insurance scheme of Employee’s State Insurance Corporation (ESIC) and if so, the details thereof;
(b) whether the Government has assessed the estimated annual saving of firms as a result thereof;
(c) if so, the number of employers and employees who contributed towards the ESI scheme in the year 2018-19 as compared to the year 2013-14 along with the amount contributed by them, separately; and
(d) the extent to which reduced rate of contribution will bring relief to workers and facilitate further enrolment of workers under the ESIC scheme?

ANSWER

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

(a): Yes Sir. The rate of ESI contribution has been reduced from 6.5 per cent to 4 per cent to bring more and more employees under the ambit of ESI Act, 1948. The employer's share of contribution is @ 3.25 per cent and the employee's share of contribution is @ 0.75 percent of the total wages paid to the employee. The reduced rates of contribution are applicable from 01.07.2019.
(b): Employers are now required to pay @ 3.25 per cent of wages as ESI contribution as against @ 4.75 per cent being paid earlier, which translate into a reduction to the tune of 32 per cent (approx.) of the wages.

(c)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of employers (in lakhs)</th>
<th>No. of Insured Persons (IPs) (in crores)</th>
<th>Contribution received (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>6.69</td>
<td>1.95</td>
<td>9632.54</td>
</tr>
<tr>
<td>2018-19 (Provisional)</td>
<td>12.85</td>
<td>3.60</td>
<td>22279.14</td>
</tr>
</tbody>
</table>

(d): After reduction in rate of contribution, the employee covered under the ESI Act, will have to pay @ 0.75 per cent amount of his / her total wages instead of @ 1.75 per cent which was being paid earlier. Reduction in rate of contribution to 4 per cent will improve the ESI Coverage and Compliance.

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