

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 1701  
TO BE ANSWERED ON 02.03.2020**

**REVIEW OF CONTRIBUTION IN ESI SCHEME**

**1701. SHRI A.K.P. CHINRAJ:**

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

- (a) whether the Union Government has received any proposal from any trade union or employees' union to review contribution in Employees State Insurance (ESI) scheme;**
- (b) if so, the details thereof; and**
- (c) if not, the reasons therefor?**

**ANSWER**

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

**(a) (to) (c): The Government reduced the employer's contribution from 4.75 per cent to 3.25 per cent and that of the employees from 1.75% to 0.75% of the total wages being paid to the employees covered under the Employees' State Insurance (ESI) Act, 1948, with effect from 01.07.2019. This was done by the Government as per the provisions of Section 39 (2) & Section 95 of ESI Act, 1948.**

**Subsequently, the Hind Mazdoor Sabha represented to Government to review its decision in the light of the Governing Body meeting of the ESI and retain the contribution towards the ESIC from employers at 4%.**

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