

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

LOK SABHA

**STARRED QUESTION NO. 90
TO BE ANSWERED ON 26.07.2021**

REDUCTION IN ESI CONTRIBUTION

***90. SHRI FEROZE VARUN GANDHI:**

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

- (a) whether the Employees' State Insurance Corporation has reduced the ESI contribution by employees and employers;**
- (b) if so, the number of employers benefitted by the financial increase;**
- (c) whether the healthcare benefits under the scheme have changed due to the change in the contribution rate; and**
- (d) if so, the details thereof?**

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI BHUPENDER YADAV)**

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 90 TO BE ANSWERED ON 26.07.2021 ASKED BY SHRI FEROZE VARUN GANDHI REGARDING “REDUCTION IN ESI CONTRIBUTION”

(a) to (d): The monthly contribution payable to Employees’ State Insurance Corporation (ESIC) has been reduced with effect from 01.07.2019 from 6.5% to 4% on monthly wages. The rate of contribution for employers’ share has been reduced from 4.75% to 3.25% and employees’ share from 1.75% to 0.75 of monthly wages without compromising any of the benefits which are available to the employees and their family members under the ESI Scheme.

As on 31.03.2020, the number of employers covered under ESI scheme are 12,36,565 and number of employees and their family members are 13.24 crore. All the covered employers and employees have benefitted from the decrease in rate of contribution.
