

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 2596
TO BE ANSWERED ON 09.03.2026**

ESIC OR STATUTORY INSURANCE TO CONTRACT WORKERS

2596. SHRI DULU MAHATO:

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

- (a) whether the Government is aware that contract workers engaged in hazardous industrial tasks perform duties similar to permanent employees but remain deprived of equivalent medical benefits and if so, the details thereof;**
- (b) the details of action taken by the Government to bridge this gap in medical coverage across industrial sectors;**
- (c) the details of the reasons for the disparity in health coverage between permanent and contractual workers in industrial units;**
- (d) whether the Government proposes to extend ESIC or statutory insurance to contractual workers exceeding current wage ceilings or introducing mandatory group insurance for parity; and**
- (e) the details of policy amendments under the Code on Social Security to ensure health security for contract labour at par with permanent employees?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a) to (e): Under the erstwhile Employees' State Insurance Act, 1948 and now under Chapter IV of the Code on Social Security, 2020 (CoSS) effective from 21.11.2025, employees, including contract workers, employed in or in connection with the work of a factory or establishment (other than seasonal factories) having ten or more employees and drawing monthly wages up to the prescribed limit of Rs. 21000/- are required to be covered under the ESI Scheme. Further, the CoSS, 2020 also extends ESI coverage to even a single employee, working in a notified hazardous or life-threatening occupation, provided his monthly wage does not exceed the prescribed limit of Rs. 21,000/-.

Contd..2/-

The responsibility to ensure coverage of contract workers rests with the principal employer, irrespective of whether such workers are engaged directly or through a contractor.

There is no distinction between permanent and contract workers under the Code with regard to eligibility for medical benefits under ESIC. Accordingly, no disparity exists in statutory health coverage between permanent and contract employees who fall within the ambit of the Scheme. Instances of non-compliance, if any, are addressed through surveys, inspections and complaint-based inspections by the competent authorities.

To strengthen medical access, ESIC, besides its own health infrastructure, has entered into a Memorandum of Understanding with the National Health Authority (NHA) to enable ESI beneficiaries to avail treatment at PM-JAY empanelled hospitals in emergencies and referred cases. ESIC also utilises State Government health facilities to expand access to healthcare services.

The existing statutory framework provides for contributory social security through ESIC and does not mandate compulsory group insurance through private insurers. At present, there is no proposal to introduce mandatory group insurance, and health security for eligible contract labour is at par with permanent employees under the provisions of the Code.
