

Subject : Enhancement of wage ceiling for Coverage of employees under the Act

Sir,

The Government of India, Ministry of Labour & Employment, vide notification no.S-38025/04/2010-SS-I dated 20<sup>th</sup> April, 2010, have amended Rule -50 of ESI(Central)Rules, 1950, with effect from 1<sup>st</sup> May, 2010, as under:-

“ In the Employees’ State Insurance (Central) Rules, 1950, in Rule-50, for the words “ ten thousand”, wherever they occur, the words “ fifteen thousand” shall be substituted.”

With this amendment the wage ceiling for coverage of employees under the Act has been enhanced from Rs.10,000 to Rs.15,000 with effect from 1<sup>st</sup> May, 2010.

In the light of the above amendment the following actions may be taken urgently:-

- It may be brought to the notice of all employers by issuing advertisement in local newspapers, circular to employers./employees organisations, chamber of Commerce etc. in the region.
- Employers may be advised to cover all employees drawing wages above Rs.10,000 and upto and including Rs.15,000 by submitting Declaration Forms of all such employees with the appropriate Branch Office immediately but in any case not later than 10 days.
- In Case of employees who were covered earlier and had gone out of coverage due to rise in their wage, their old Identity Cards with old Insurance Numbers may be sent to the Branch Office who may be advised to revalidate the same by affixing the Stamp “ Revalidated w.e.f. 1-5-2010”.
- In Case of employees who were not covered earlier new Identity Cards may be issued to them.
- PEHCHAN Cards may be issued to all such newly covered employees and Pehchan Teams may be advised suitably in the matter.
- As per the proviso to Regulation-4 of ESI(General) Regulations, 1950, all these newly covered employees will have a shorter contribution period beginning May 1, 2010, shorter benefit period commencing 9 months after that i.e. from 1<sup>st</sup> February, 2011.
- Their eligibility for sickness benefit will also be half the number of days of the shorter contribution period instead of normal 78 days.
- A monthly Report of number of employees drawing wages above Rs.10,000 and upto and including Rs.15,000 may be sent by 10<sup>th</sup> of every month commencing 10<sup>th</sup> June, 2010. Separate figure in respect of employees in the above wage bracket covered for the first time and employees who were earlier covered and had gone out due to increase in wage and have now been re-covered may be sent.

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