

# Bill Summary

## The Employees' State Insurance (Amendment) Bill, 2009

- The Employees' State Insurance (Amendment) Bill, 2009, was introduced in the Lok Sabha on August 7, 2009 by the Minister of Labour and Employment, Shri Mallikarjun Kharge. The Bill was referred to the Department related Standing Committee on Labour (Chairperson: Shri Hemanand Biswal), which is expected to submit its report within three months.
- The Bill amends the Employees' State Insurance Act, 1948 to allow the central government to frame schemes for "other beneficiaries" and their families so that they can avail of medical facilities in any "underutilised hospital" established by the Employees' State Insurance Corporation (ESIC) on payment of "user charges".
- "Other beneficiaries" mean any person who is not covered by the 1948 Act. "Underutilised" means any hospital which is not fully utilized by persons insured under the 1948 Act. "User charges" means the charges that other beneficiaries are supposed to pay for medical facilities. It is to be notified by the ESIC in consultation with the central government.
- The scheme shall provide the time and manner in which medical facilities may be availed by other beneficiaries.
- The age-limit of different categories of a "dependent" has been amended. Also, a parent shall not be dependent unless his income is lower than the income level prescribed by the central government.
- The Bill amends the definition of a "factory" to include any place, which has a manufacturing process and where 10 or more people are employed, irrespective of the use of power.
- The Medical Benefit Council shall include the Director General of the ESIC as the ex-officio Chairman and the Director General, Health Services as the ex-officio Co-Chairman.
- ESIC includes three Members of Parliament. The Bill states that these persons shall cease to be a member of ESIC if he becomes a Minister or Speaker or Deputy Speaker of the Lok Sabha or Deputy Chairman of the Rajya Sabha. He shall also cease to be a member of ESIC if he ceases to be a Member of Parliament.
- The Bill allows ESIC to appoint consultants and specialists on contract basis without referring the matter to the central government.
- The ESIC shall have a valuation of its assets and liabilities every three years, instead of five years.
- The Bill redesignates the Insurance Inspector as Social Security Officer.
- The ESIC may determine the amount of contribution an employer has to make on behalf of an employee if particulars are not submitted in the prescribed manner. However, ESIC shall not pass an order five years from the date on which the contribution becomes payable.
- The employer can appeal to a prescribed appellate authority if he is not satisfied with the order of ESIC. Before appealing he has to either deposit 25 per cent of the contribution so ordered or the contribution as per his calculation, whichever is higher, with ESIC. The deposit shall be refunded if the employer wins the appeal.
- The Bill covers insured persons who may have met with an accident while commuting to or from the place of employment to his residence.
- An insured person and his spouse shall be entitled to receive medical benefits after he retires under the Voluntary Retirement Scheme or takes premature retirement. This is subject to payment of contribution and any other condition prescribed by the central government.
- ESIC may enter into an agreement with any local authority or private body for commissioning ESI hospitals through third party participation for providing medical treatment and attendance to insured persons.
- ESIC may establish medical and nursing colleges to improve the quality of its services.

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