



☎ Off : 26613091 / 26607167
42103360 / 26761877
Email : kea@kea.co.in
Web : www.kea.co.in

KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2nd FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI
BENGALURU - 560 004
Reg. No. TU 507 / 20-3-1962

Date : 04-02-2017

CIRCULAR No.20/2017

To
All Members of the Association

Sub: ESI SCHEME – SCHEME FOR PROMOTING REGISTRATION OF EMPLOYERS/EMPLOYEES [SPREE]

1. ESI Corporation has been taking several steps for enhancing the coverage of employees under the ESI Scheme.
2. Rule 51 of the ESI [Central] Rules, has been amended and new Rule 51-B is inserted to the Rules to provide for payment of contribution in the areas where ESI Act is implemented for the first time. The new rule provides that in the newly implemented areas the rate of contribution by the employers will be 3% instead of 4% and in the case of employees, it is 1% in place of 1.75% and amended rules was circulated under KEA Circular No. 100/2016 dated 12.10.2016.
3. ESI Corporation have laid down another Scheme as a part of their drive to ensure the social security benefits is available to all eligible employees under the Act who have been kept out of the ESI coverage so far. The SCHEME FOR PROMOTING THE REGISTRATION OF EMPLOYERS AND EMPLOYEES [SPREE] under the ESI Scheme has been circulated by the ESI Corporation vide their internal circular dated 20.12.2016. A copy of the circular is enclosed for the information of the Members.
4. The salient features of the Scheme are as under :
 - The Scheme is open from 20.12.2016 up to 31.3.2017.
 - The employers registering during the above period will be treated as covered from the date of registration or as declared by them.
 - The newly registered employees shall be treated as covered from the date of their registration.
 - The above will not have any bearing on action taken or required under the ESI Act prior to 20.12.2016.

5. The employees who are covered under the above Scheme may avail the benefit of the Scheme before 31.3.2017.

for KARNATAKA EMPLOYERS' ASSOCIATION

**sd/-
(B.C. PRABHAKAR)
PRESIDENT**



HQRS.OFFICE
EMPLOYEES' STATE INSURANCE CORPORATION

PANCHDEEP BHAVAN, CIG ROAD, NEW DELHI-110002
(ISO 9001: 2008 Certified)
www.esic.nic.in, e-mail: dir-pnd@esic.nic.in

No. V-12/11/1/2014-P&D

Dated:-20.12.2016

To,

Regional Director (All) / Director I/C (All) / Joint Director I/C (All) / Deputy Director I/C (All)
Regional Office/Sub Regional Office/Divisional Office

Subject: Scheme to Promote Registration of Employers/ Employees (SPREE)

The Employees State Insurance Corporation, in its 170th meeting held on 15.12.2016, has approved a Scheme to promote registration of Establishments /Factories and employees coverable under the ESI Act, 1948.

The ESI Scheme under 2nd Generation Reforms, titled as "ESIC 2.0" has been striving hard to evolve itself to serve India's workforce with utmost efficiency, keeping pace with time and technology, relentlessly trying to narrow down the digital divide and bringing in health reform initiatives. The Scheme is being implemented to entire district in 393 partially implemented districts and to district Headquarters in the rest of non- implemented districts, thus extending its Social Security benefits to one and all. A new Rule 51B has also been inserted for the newly implemented areas to pay contribution @4% (3% being Employers contribution and 1% being Employees contribution).

The employers are required to register the Factory/Establishment under the ESI Act within 15 days (Regulation 10-B) after the Act becomes applicable to the unit and also required to register their employees immediately. The principal employer shall pay the employees' and employer's contribution (Section 40). Damages are recoverable for non-payment of any dues in time (Regulation 31C). Provisions for punishment for failure to pay contribution are defined under Section 85 (a) to (g) of the Act. Section 85 B provide power to recover damages as an arrear of land revenue.

A one time drive is being initiated, which intends to extend the social security benefits to all-eligible under the Act, who have till now been kept out of the ESI coverage, and is open for the period w.e.f. 20th December 2016 to 31st March 2017.

Contd...2

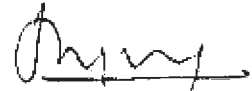
The salient feature of the Scheme is as under:

1. The employers registering during the period will be treated as covered from the date of registration or as declared by them.
2. The newly registered employees shall be treated as covered from the date of their registration.
3. This will not have any bearing on actions taken/required under ESI Act, if any, prior to 20th December, 2016.

All the employers /employees may be informed to avail this opportunity & ensure that all the units /employees coverable under the ESI Act are registered availing this one time benefit of the Scheme.

All necessary support may be extended to employers in online registration of their units and employees.

Regional Directors and SRO In-Charges are also required to conduct/hold seminars/meetings on the Scheme in their area with local Chambers of Commerce or Industry Associations, out of which one such meeting may be held in this month.



(S K Garg)

Insurance Commissioner (P&D.)