

SUPPLEMENTARY ON PAPER – 6 FOR JUNE 2021

STUDY NOTE/CHAPTER – 7 : PAYMENT OF GRATUITY ACT, 1972

STUDY NOTE/CHAPTER – 9 : EMPLOYEES STATE INSURANCE ACT, 1948

➤ GRATIUTY

The maximum amount of gratuity now is ₹ 20 lakhs instead of ₹10 lakhs.

➤ CHANGES IN EMPLOYEES STATE INSURANCE ACT, 1948

- Employees must be registered online on the date of appointment; the online system shall allow maximum 10 days to register the new employee.
- Employee will have to collect their Biometric ESI Permanent Card from nearest Branch Office.
- Contribution against employee must be deposited within the due date. One shall not be able to deposit contribution online after 42 days from the end date of the contribution period.

Employee whose salary per day is ₹176/- or less need not to pay Employee's contribution and the same will be paid by the Govt. However, Employer will have to pay their share of contribution.

- Contribution have been reduced:

EST contribution Rates	Existing Rate (%)	Revised Rate (%)
Employer's Share	4.75	3.25
Employee Share	1.75	0.75
Total ESI Contribution	6.50	4.00

The wage ceiling of coverage was also enhanced from ₹ 15,000/- per month to ₹ 21,000/- per month.