

ESIC payroll data shows over 19 lakh additions in November

BY ET BUREAU | JAN 22, 2020, 08.37 AM IST

The payroll data of the Employees' State Insurance Corporation (ESIC) for November showed 19.62 lakh new additions in the month, providing some evidence of a pickup in economic activity.

The net addition to the ESIC, after excluding those who ceased paying their contribution during the month, was 6.97 lakh, the highest for any month in the current fiscal year.

The slight improvement is also corroborated by a 6% increase in GST collections in November at Rs 1.03 lakh crore, reversing two months of decline. Even industrial production expanded at a modest pace in November at 1.8%, reversing three consecutive months of contraction.

The first advance estimate of the government has pegged India's GDP growth in fiscal 2019-20 at 5%, the slowest in 11 years, compared with 6.8% the previous year.

The Employees' State Insurance Act, 1948, covers non-seasonal factories employing 10 or more people. The ESI Scheme run under the Act provides medical, sickness, maternity and temporary disablement benefit among others to registered workers. Workers have to pay a fixed percentage of their wages as contribution to the scheme, but the social security benefits are provided according to individual needs without distinction.

The highest addition to the scheme was in July 2019 when 19.86 lakh employees had registered with the ESIC, but net addition was lower because 17 lakh employees had ceased paying contribution that month.

A total of 2.87 crore employees paid contribution in November.

As per the ESIC data for November, the highest number of employees was added in the 22-25 age brackets at 5.28 lakh, followed by the 18-21 age group at 4.68 lakh. This age group is usually taken as new employment.

The stock of existing employees paying contributions for a given month is provisional for up to at least six months because of delayed filing of contributions or returns by employers. According to the National Statistical Organisation, the gross enrolments of new subscribers with the ESIC were 1.49 crore during the entire 2018-19.

PAYROLL DATA

Every month, the National Statistical Organisation releases a report based on the payroll data of new subscribers of various social security schemes run by the ESIC, retirement fund body EPFO and the Pension Fund Regulatory and Development Authority (PFRDA).

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