

THE INSIGHT

HR VIDYALAYA CORPORATE SERVICES LLP

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Weekly Newsletter

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Dear HR Professionals,
Organizations,
HR Students
An Opportunity to prove
your competency in HR
Trends to the Industry....
Register, Participate, get
Certified and a chance to
Win Award

Stamp your Name!



He is RISEN

- Today we remember Jesus' Sacrifice and May the resurrection of Jesus Christ bring hope, love, and peace to your heart today and always.
- We at HR Vidyalaya Corporate Services LLP, wishes,
 - ★ Readers
 - ★ Patrons
 - ★ Clients and
 - ★ Well-wishers
- A HAPPY EASTER

New Hope, Happiness, Abundance of Health and Prosperity to ALL

WHAT'S IS INSIDE....

1. AskSree
2. ESI little known facts

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Dear "The Insight" Readers,

We launched "AskSree" column to answer your questions regarding Work Life.



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Renowned Organizational Psychologist, **Gayathri Sridharan** uses psychological research to answer your everyday dilemmas. She received her training from Loughborough University, UK, and a thorough HR professional with almost a decade of praxis in various realms of Strategic Human Resource Management. You may please send your queries to the email ID: itsmegayathiri@gmail.com

Solutions will be published in "The Insight."

Quest

Solution

Dear Sree,

I am working as a chief marketing officer in a FMCG company. We are designing an advertisement for our new product and I want audience to remember our product as there are more competitors in the market. Could you please throw some lights on which type of content holds more attention in audience's mind?

– Vanathi

Dear Vanathi,

Researchers from University of Pennsylvania, University and Emory University published a new article that examines how and why the language used in content engages readers.

- Based on the results, the study offers the two important recommendations for designing the content:
- Keeping the language simple and easier to process is the key for not only attracting the audience but also for keeping them engaged.

Using emotional words provides more results than normal words. For example, using words which invokes anxiety, hope, excitement in readers. However, the words that invoke sadness should be avoided.

Reference/s:

American Marketing Association. (2023, March 22). The challenge of keeping an audience engaged: How language shapes attention.

LITTLE KNOWN FACTS OF ESI

ESI Act: Wages definition under Section 2(22)

*(Ref. Hon'ble SC Harihar Polyfibres vs The Regional Director, ESI ...
on 4 September, 1984, for comprehensive definition)*

Wages means : all remuneration paid or payable in cash to an employee, if the terms of the contract of employment, express or implied, were fulfilled
(Contractual and the definition is exhaustive in using the word means)

And : Includes any payment to an employee in respect of any period of authorized leave, lockout, strike which is not illegal or layoff (non-contractual and inclusive part)

And : other additional remuneration, if any, paid at intervals not exceeding two months (inclusive part and need not be under the terms of employment)

But : does not include four specific items of payment (exclusion clause)

Those 4 are:

- (a) any contribution paid by the employer to any pension fund or provident fund, or under this Act;
- (b) any travelling allowance or the value of any travelling concession;
- (c) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or
- (d) any gratuity payable on discharge;

Distinctive Definition in ESI

Any **Arrear wages** which was not paid in particular month, due to reasons

- (i) leave approvals
- (ii) attendance issues
- (iii) joining the establishment but wages was not disbursed
- (iv) mis-computation of wages

- paid in the following months will attract ESIC.

Contribution is to be remitted for such months and not for the month when it is disbursed

Overtime is included for payment of contribution to cover the risk during the period he was on overtime work, and to enable him to draw the cash benefits at the rates corresponding to his wages and the OT Wages on which contributions were paid

Any **Retrospective increase of wages** prior to the month of declaration or announcement is not required to be covered for contribution

- 🏠 Submit annual return in Form 01-A for every year, on or before 31st January
- 🏠 As per Revenue Manual of ESIC - Submit half-yearly return by May 12 and November 11, every year.

Wages and Contribution payable under ESI:

Primary Category

- 🏠 It (Wages) need not necessarily be paid.
- 🏠 It is sufficient that it (Wages) has become payable.
- 🏠 An employee may leave employment in the middle of a month without receiving his wages for the period he worked.
- 🏠 Though, the salary was not paid to him, contribution is due on it as the salary has accrued to him and is payable.
- 🏠 Similarly, contributions are payable on the amounts of Lay-Off Compensation, Wages for the period of Strike which is not illegal even if they are not physically paid.

Subsistence allowance paid to an employee during the period of suspension – is WAGE and will attract ESI

- 🏠 The second category includes any payment for:-
 - a) Authorized Leave
 - b) Lock-out
 - c) Lay-off and
 - d) Legal strike.
- 🏠 The remuneration for authorized leave, lock-out, lay-off and legal strike need not necessarily be paid.
- 🏠 It is sufficient that it is accrued and payable.
- 🏠 An employee may leave the employment without receiving his remuneration for the period of authorized leave, lock-out, lay-off and legal strike, yet contribution is due and payable.

🏠 Funeral Benefit is payable to:

- 1. Any Insured Person (to whom monthly contribution is payable)**
- 2. Person receiving PDB benefit even if not employed**

🏠 Apprentices under Apprentices Act are excluded from ESIC, but needs to be covered under Employee Compensation Act.

🏠 While other benefits are available in referred hospitals (in addition to ESIC hospital and dispensary), MEDICAL BENEFIT will be available (to IP and Family members) only in the ESIC Hospital or ESIC Dispensary

🏠 Duties of Employer includes:

Every employer has to arrange for First-aid Medical care and transport of accident cases till the injured IP is seen by the IMO/IMP

🏠 ESIC Social Security Officers, does not JUST go with the Nomenclature of Heads of Account during inspections ...refer few Judgment of Hon'ble courts:

- **“Even though the Management has chosen to use a self-serving description, namely, as incentive bonus, the E.S.I. Court, on evidence, rightly found it as over-time wages.” (Narasimha Mills Ltd. Vs. ESIC, High Court, Chennai 20.1.2000)**
- **“The liability under the Act does not depend upon the nomenclature used by the employer or designation given to the employee”**

(T.I.Diamond Chains Ltd., T.I. Cycles (India) Ltd and two others Vs. ESIC) – EI OP No, 20/1991, 44/1991, 45/1991 and 57/1991 on 24.3.2000.

SPECIFICS IN ESI

- 🏠 **Where the insured woman will get remuneration (Maternity Benefit) for twenty six weeks for first and second confinement, she will get remuneration for 12 weeks if the insured woman having two or more than two surviving children**
- 🏠 **This is same as the Maternity Benefit Act, which is applicable for those woman employee who is not covered under ESI.**
- 🏠 **Most important information here, under ESI is:**
 - **If a ESI insured woman is availing Maternity Benefit and she give birth to more than 1 child in the confinement, it will be treated as single claim**
 - **But, for the next confinement the number of surviving children should be counted as per the actual number of surviving children at the time of claiming maternity benefit**
 - **Hence, if she applies for next confinement and having 2 surviving children (or more due to childbirth in the previous confinement), she is eligible only for 12 weeks of Maternity Benefit (section 88A of ESI Regulations)**

🏠 **If commissioning mother and the other woman both are Insured Women, the claim will be provided only to the commissioning mother**

The Medical care under the Scheme is administered by State Governments, who have the statutory responsibility in this regard, except in

1. Delhi State
2. Noida area of U.P
3. ESI Hospital, K.K. Nagar at Chennai,
4. ESI Hospital, Thakurpukur at Calcutta and
5. ESI Hospital at Nagda are being run directly by the Corporation.

For Exempted Employees – **Employer is required** to pay ESI contribution (where employee is exempted)

But, the **Employer is exempted** from payment of ESI contribution, if he engages persons with Benchmark disability who are covered upto Rs.25,000 as wages per month.

HR EXCELLENCE AWARD

22nd April 2023 near Chennai

Last date of Registration is **15th April 2023.**

Participation made available in **TAMIL LANGUAGE ALSO**

5 Segments

1. Technology in HR
2. IR Initiatives
3. Change Management in HR
4. DEI – the Spotlight
5. POSH – Challenges & Solutions

Link to Register

<https://forms.gle/XnKXrR9PRzZG7be1A>

Reach us for further info:

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Who can Join:

Human Resources Professionals

Management Professionals

POSH members

Special Group for MBA/MSW/MA-HRM Students