

CONTRIBUTION

The ESI Scheme is mainly financed by contributions raised from employees covered under the scheme and their employers, as a fixed percentage of wages. As of now, the rates of contribution are:-

- (i) Employees' Contribution :- 1.75 percent of wages
- (ii) Employers' Contribution :- 4.75 percent of wages
- Employers' earning upto Rs. 70/- a day as wages are exempted from payment of their part of contribution.
- The State Govts. Bear one-eighth share of expenditure on Medical Benefit within the per capita ceiling of Rs. 1200/- per annum any additional expenditure beyond the ceiling.