



# Atal Bimit Vyakti Kalyan Yojana: ESIC

## Why in News

The **Employees' State Insurance Corporation (ESIC)** has **extended the Atal Bimit Vyakti Kalyan Yojana by one year to 30<sup>th</sup> June 2021**.

- Further, the ESIC has **relaxed eligibility criteria and enhanced the payment of the unemployment benefit** under the Yojana (applicable from 24<sup>th</sup> March-31<sup>st</sup> December 2020).

**Relief to the workers affected due to Covid-19 Pandemic**  
**Relaxation in eligibility criteria and enhancement in the payment of relief under Atal Bimit Vyakti Kalyan Yojana of ESIC**

- Payment of relief has been enhanced to 50% of average of wages from earlier 25% of average wages payable upto maximum 90 days of unemployment.
- Instead of the relief becoming payable 90 days after unemployment, it shall become due for payment after 30 days.
- Insured Person can submit the online claim directly to ESIC Branch Office instead of the claim being forwarded by the last employer and the payment shall be made directly in the bank account of IP.
- The Insured Person should have been in insurable employment for a minimum period of 2 years immediately before his/her unemployment and should have contributed for not less than 78 days in the contribution period immediately preceding to unemployment and minimum 78 days in one of the remaining 3 contribution periods in 02 years prior to unemployment.

## Key Points

- **About the Yojana:**
  - Atal Bimit Vyakti Kalyan Yojana was introduced w.e.f. 1<sup>st</sup> July 2018.
  - Under it, **unemployment benefit is paid to the workers covered under the Employees' State Insurance (ESI) scheme.**
  - Unemployment benefit is paid in the **form of cash compensation upto 90 days, once in a lifetime**, to be **claimed after three months (90 days)** in one or more spells for being rendered **unemployed**.
    - The employee should have completed two years of insurable employment and has contributed not less than 78 days in each of the four consecutive contribution periods immediately preceding to the claim of the relief.
  - The benefit **does not exceed 25% of the average earning per day.**
- **About the ESI Act, 1948:**
  - It **applies** to all factories and notified establishments located in implemented areas **employing 10 or more persons** and is applicable on employees drawing wages up to **Rs. 21,000 per month (Rs. 25,000 for persons with disabilities)**.
  - In July 2019, the **contribution rate** under the ESI Act was reduced from 6.5% to 4%

(employers' contribution from 4.75% to 3.25% and employees' contribution from 1.75% to 0.75%).

- In a financial year, there are **two contribution periods** each of six months duration.
- **Employees** in receipt of a daily average wage upto **Rs.137** are **exempted** from payment of contribution.
- The Employees' State Insurance Scheme is **administered by a corporate body called the ESI Corporation.**
  - The Corporation is the **highest policy making and decision taking authority** under the ESI Act and oversees the functioning of the Scheme.
  - The **Union Minister of Labour and Employment** is its **Chairman.**
- It covers about 3.49 crore of family units of workers and provides cash benefits and medical facilities to 13.56 crore beneficiaries.

[Source: PIB](#)

PDF Refernece URL: <https://www.drishtiias.com/printpdf/atal-bimit-vyakti-kalyan-yojana-esic>

