ANIL DESAI

MEMBER OF PARLIAMENT
Shivsena (Uddhav Balasaheb Thackeray)
South Central Mumbai Constituency

MEMBER
1. **Standing Committtee on Home Affairs**
2. **Consultative Committee for the Ministry of Education**

IC No. 261

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Ref. No.: CG/033/2026 Date : **17.07.2026**

To,
Shri.Dr. Mansukh Mandaviya
Hon'ble Minister – Ministry of Labour & Employment
Government of India,
Shram Shakti Bhawan,
Rafi Marg,
New Delhi – 110 001.

Subject: Enhancement of the ESIC wage ceiling from ₹21,000 to ₹40,000 & interim medical protection for affected contract workers.

Respected Sir,
I respectfully submit that the wage ceiling for coverage under the Employees' State Insurance Scheme continues to remain **₹21,000 per month** for general employees. This ceiling was last revised with effect from **1st January 2017** & official ESIC material presently available continues to reflect the same limit.

The issue has now become urgent in major urban centres. In the Chief Labour Commissioner's order effective from **1st April 2026** for construction / building operations & allied infrastructure work in Area A cities, the notified daily minimum wages are ₹827 for unskilled workers, ₹918 for semi-skilled workers, **₹1,008** for skilled workers & ₹1,094 for highly skilled workers. At 26 working days, these rates come to **₹21,502, ₹23,868, ₹26,208** & **₹28,444** per month respectively, which means that even the lowest category in the affected Area A schedule has crossed the present ESIC ceiling of ₹21,000. Area A includes major cities such as Delhi, Chennai, Greater Mumbai, Kolkata, Bengaluru, Hyderabad, Noida & Gurgaon.

This is not an isolated grievance. **ESIC's own Financial Estimates & Performance Budget for 2025–26 records that in many states minimum wages have gone above the wage limit of ₹21,000, resulting in 9.35 lakh workers moving out of the ₹21,000 ceiling.** This shows that the present wage ceiling is no longer aligned with current statutory wage realities.

As a result, large numbers of contract workers in metro & mega-city contracts are at risk of losing access to ESIC protection precisely because their legally payable wages have increased above the frozen ceiling. This is causing serious hardship to poor workers & their families, especially in high-cost cities where out-of-pocket medical expenditure is difficult to bear.

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ESIC is not merely a hospitalization scheme; it provides medical care to insured persons & their dependents from the day of entry into insurable employment & also covers sickness, maternity, disablement, dependents & funeral benefits.

The present situation also creates an unintended cost advantage for contractors when workers fall outside coverage. At a monthly wage of **₹21,502**, the employer-side ESI contribution at **3.25%** would be about **₹699 per month**, or about **₹8,386** per year per worker. The employee-side contribution at **0.75%** would be about ₹161 per month, or about **₹1,935** per year. Thus, while workers lose protection, contractors save a material annual amount per affected worker.

In these circumstances, I humbly request the Ministry to take two urgent steps in the interest of poor contract labour. First, **the ESIC wage ceiling should be enhanced from ₹21,000 to ₹40,000 at the earliest**, or at least to a level that restores meaningful coverage to workers whose statutory wages in Area A cities have already crossed the present ceiling. Second, pending such revision, the Ministry may issue an interim direction requiring principal employers & contractors in affected contracts to provide group medical cover so that workers & their family members are not left without any health protection.

Such an interim group medical arrangement would only be a temporary safeguard & not a substitute for ESIC, which is a broader social-security framework. A permanent decision to revise the ceiling is therefore necessary & urgent.

Thanking you,

(Anil Desai)

Copy to:

1. Secretary - Ministry of Labour & Employment, Room No. 104, Shram Shakti Bhawan, Rafi Marg, New Delhi – 110 001.