



EMPLOYEES' STATE INSURANCE CORPORATION
'PANCHDEEP BHAWAN': C.I.G. MARG: NEW DELHI

No. N-11/12/2003-Bft.II/Vol.II

Date: 9th February, 2009

C I R C U L A R

Sub: "Rajiv Gandhi Shramik Kalyan Yojana"

In order to provide Social Safety Net to the Insured Persons who are rendered jobless due to retrenchment, closure of factory/establishment or permanent disablement of at least 40% arising out of non-employment injury, the ESI Corporation had introduced a new scheme called "Rajiv Gandhi Shramik Kalyan Yojna" w.e.f. 01.04.2005. Keeping in view the various feedbacks received from the stake holders, changes have been made in this scheme with a view to provide more benefits to the Insured Persons and to simplify the procedures so that the benefits are available in a hassle free manner. After the changes made in this scheme and the simplification of the procedure, the scheme " Rajiv Gandhi Shramik Kalyan Yojna" as it stands on 01.02.2009 is as follows:-

1. The terms, 'closure' and 'retrenchment' shall have the meanings assigned to them under the Industrial Disputes Act, 1947 (14 of 1947) and according to provisions of sub-section-(24) of Section -2 of the ESI Act, 1948.
2. The term "permanent invalidity" shall mean permanent disability arising out of non-employment injury of 40% or more, as certified by a Medical Board constituted by the Central or State Governments.
3. The person should have been, **an insured person**, under the ESI Act on the date of loss of insurable employment, on account of closure of the factory or establishment, retrenchment, or permanent invalidity arising out of non-employment injury.
4. Insured person should have contributed under the ESI Scheme, for a minimum period of **five years** prior to loss of employment.

5. Unemployment Allowance shall cease to be payable **from the date the insured person is re-employed elsewhere.**
6. Only the insured person, who becomes unemployed as stated under (1) above, on or after 1st April, 2005, shall be entitled to receive Unemployment Allowance.
7. The Unemployment Allowance can be availed of in one spell or in different spells of unemployment provided that **each such spell shall not be less than one month.**
8. The Unemployment Allowance **shall not be combined** with sickness benefit, maternity benefit or disablement benefit for temporary disablement for the same period. The insured person in receipt of any of these benefits during the same period shall, however, **be entitled to choose** which benefit he/she wishes to avail of.
9. The payment of Unemployment Allowance shall be **subject to the provisions of Section 61 of the ESI Act, 1948.**
10. The Unemployment Allowance is payable for a **maximum period of twelve months** during the entire insurable employment of the IP/IW.
11. **The periodicity of all the existing beneficiaries as on 01.02.2009 will stand extended to a total of Twelve Months.**
12. Daily rate of Unemployment Allowance is **equivalent to the Standard Benefit** Rate corresponding to the average daily wages drawn by the IP/IW during the last four completed contribution periods, immediately preceding the date of unemployment.
13. Also, during the period for which, the IP /IW is entitled for Unemployment Allowance, he /she is eligible for medical care for himself/herself and his/her family from the ESI Hospital /Dispensary, Panel doctors, clinics, etc., to which he/she was attached prior to the date of loss of employment.
14. Similarly, the **Medical Benefit** available to the IP/IW and his/her family members under this Scheme **also stands extended** from the existing period of six months to that of **twelve months** w.e.f. 01.02.2009.
15. Applications for Unemployment Allowance should be submitted by the IP/IW **within six months from the date of loss of employment** due to closure/retrenchment or non-employment disability of not less than 40%, as the case may be.

16. The cases in respect of Insured Persons where the Trade Union has gone to Court and Insured Person himself is not a party, may also be considered **after taking an undertaking** from the Insured Person that in case he/she receives the wages for the period of unemployment, he will refund the unemployment allowance, received by him, to ESI Corporation.
17. The certificate of closure in Form UA-2 may also be accepted from employer if he submits the **return of contributions** under Regulation 26 (b) on permanent closure of the factory/establishment.

This is in supersession of all the earlier orders, instructions, etc., issued for this Scheme.

Vocational Rehabilitation Skill Development Scheme under Rajiv Gandhi Shramik Kalyan Yojana

The salient features, terms and conditions and other issues of this Skill Development Scheme are detailed below :-

1. Eligibility Conditions

The IP/IW should be in receipt of unemployment allowance under Rajiv Gandhi Shramik Kalyan Yojana. The entitlement for unemployment allowance is re-iterated as under:-

- (a) The person should have been IP for the last five years prior to the loss of employment. He/she should also be IP on the date of rendering jobless.
- (b) The IP/IW should be jobless due to retrenchment or closure of factory/establishment or permanent invalidity arising out of non-employment injury of not less than 40%.
- (c) The IP/IW should not be in gainful employment.

2. Duration of Training

- (a) Short duration course of a few weeks or other longer duration Courses of upto six months are allowed.
- (b) The period of training must be within the period when he is receiving Unemployment Allowance that is, it should not go beyond the last date of RGSKY.

3. Disqualification

- (a) If IP/IW secures gainful employment during the course of training he/she may opt whether he/she shall continue the training. In case he/she prefers to take up a job, he/she shall not be entitled to training.
- (b) An Insured Person who ceases to be a beneficiary under Rajiv Gandhi Shramik Kalyan Yojana shall not be eligible for this scheme, but a training course, once started, shall be allowed to be completed if the IP/IW is not in gainful employment.
- (b) The training under this scheme shall be admissible only once in entire life of an IP/IW.

4. Fees etc.

The IP/IW has to secure admission as per the entry norms of the respective institute and the corporation will pay the entire fee charged and will also reimburse second class to and fro rail/bus fare for the IP/IW who has to travel for attending the training programme at AVTI.

5. Procedures to be followed

- 1. IP/IW receiving UA and desirous of upgrading his/her skill shall be referred to the nearest "Advanced Vocational Training Institutions" under the DGET, MoL&E, Government of India where the course of his choice is available.
- 2. The IP/IW shall be required to apply in the prescribed form in duplicate to the Regional Director concerned through the Branch Office from where he is receiving Unemployment Allowance.
- 3. The application form shall be made available to all the IPs/IWs by the Branch Office alongwith claim form of Unemployment Allowance. The Insured Persons should also be

properly briefed by the Branch Office Manager/Staff about the skill upgradation option. Specimen of form is at **Annexure 'A'**.

4. On receipt of the application from the IP/IW, the Branch Manager shall verify the particulars given by the IP to ensure that they do not vary from the particulars given at the time of claiming Unemployment Allowance and forward one copy of application form **Annexure 'A'** to the RD/JD(I/c) within five working days for further necessary action.
5. After receipt of the application from the Branch Office the Regional Director/JD(I/c) will decide entitlement of the IP/IW for skill upgradation training in consultation with the F & A/c Branch. For keeping record and audit purpose, relevant details will be entered in a prescribed register **Annexure 'B'**, and thereafter the IP will be referred to the nearest "Advanced Vocational Training Institution" where facility for training in a trade chosen by eligible IP/IW is available along with a forwarding letter **Annexure 'C'**. Original copy of this letter will be handed over to the IP and another copy will be sent to the AVTI by registered/speed post. Three copies of standard reply (**Annexure 'D'**) to be furnished by the "Advanced Vocational Training Institutions" certifying that the IP has successfully undergone the training will also be handed over to the IP. After the training is over, the AVTI concerned will return a copy of the standard letter through the IP and another copy by post, retaining the third copy with them. **The fees payable to the Advanced Vocational Training Institute shall be paid by the RO/SRO directly to the AVTI in the mode prescribed by them.**
6. The IP, after completing the training, will claim re-imburement of Bus/Train fare as per actuals duly supported by a letter from the AVTI in form **Annexure 'D'**. The amount admissible will be paid by the Branch Office from where the IP is in receipt of Unemployment Allowance under Rajiv Gandhi Shramik Kalyan Yojana on the prescribed claim form (**Annexure 'E'**).
7. All payment made under this scheme will be entered in red ink under the signature of Branch Office Manager in the register for Unemployment Allowance under Rajiv Gandhi Shramik Kalyan Yojana and the ledgersheet of the IP/IW.

8. The expenditure incurred under this scheme shall be booked under the head "Other Benefits" with a distinct sub-head "Unemployment Allowance" {"Fees for Skill Development under Rajiv Gandhi Shramik Kalyan Yojana"}.
9. All the Branch Office Manager may please be briefed suitably by the RDs/JDs(I/c) for smooth launching and implementation of the Scheme through issue of instruction, meetings etc.
10. Wide publicity of this scheme may please be arranged through advertisements in local dailies, meetings, seminars etc.
11. Regional Directors/Joint Directors(I/c) will locate 'Advanced vocational Training Institute' situated within their respective regions/sub-regions and a consolidated list of AVTIs be made available to all the Branch Offices. The list of AVTIs will be displayed on 'Notice Board' for IP's ready reference.
12. A Quarterly Report may please be sent indicating No. of IP/IW enrolled and amount of fees paid to AVTIs.

These orders will be **effective from 01.02.2009.**

Receipt may kindly be acknowledged. Hindi version will follow.

Yours faithfully,



(A.K. Mukhopadhyay)
Joint Director(Bft.)
For Director General

To

1. All RDs/Director/JDs(I/c),
ESI Corporation,
Regional/Sub Regional Office.
2. All the officers of HQ. Office
3. All the Branches of Hqrs. Office
- ✓ 4. JD(Sys.) Hqrs. Office for uploading in the ESIC Website
5. JD (OL) for translation please.