



एम्प्लॉयर्स स्टेट इन्सुरन्स कॉर्पोरेशन
(एन एच एम्प्लॉयर्स स्टेट इन्सुरन्स, ओडीशा)
कार्यकारी राहत योजना विभाग
(एन एच एम्प्लॉयर्स स्टेट इन्सुरन्स, भारत सरकार)
EMPLOYERS' STATE INSURANCE CORPORATION
(Ministry of Labour & Employment, Govt. of India)



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No.44-V-33/12/2/2016-Rev.I

11-12-2025

FOR URGENT ATTENTION OF EMPLOYERS COVERED UNDER ESIC

Sub: Re-examining Coverability of your employees under ESIC in light of new definition of 'Wages' as per Code on Social Security,2020.

Dear Employer,

This is to inform you that the Code on Social Security,2020 has been brought into force with effect from 21st November,2025 in which the ESI Act 1948 has been subsumed.

The definition of "Wages" as per Sec 2(88) of the Code on Social Security,2020 is different from the erstwhile definition of wages under the (now repealed) ESI Act,1948(Please see the relevant extract appended below).

In view of the new definition, the coverage of your employees (hitherto not coverable under ESIC) needs to be re-examined. It may be possible that employees previously not coverable under ESIC may come under the purview if new definition of "Wages" as per the Social Security Code 2020 is applied.

Accordingly, you are requested to examine the coverability of all your employees (now not covered under ESIC) and if any/some employees are found coverable as per the new definition of "wages", they may be registered immediately and contribution may be deducted and paid in respect of them with immediate effect.

Yours faithfully,

Digitally signed by
Rudradeep Dutta
Date: 11-12-2025
REGIONAL DIRECTOR (I/C)
16.58.45

The Definition of Wages as per Sec. 2(88) of the Code on Social Security, 2020

"wages" means all remuneration, whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes,-

- (a) Basic pay;
- (b) Dearness allowance; and
- (c) Retaining allowance, if any,

But does not include-

- (a) any bonus payable under any law for the time being in force, which does not form part of the remuneration payable under the terms of employment;
- (b) the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government;
- (c) any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon;
- (d) any conveyance allowance or the value of any travelling concession;
- (e) any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment;
- (f) house rent allowance;
- (g) remuneration payable under any award or settlement between the parties or order of a court or Tribunal;
- (h) any overtime allowance;
- (i) any commission payable to the employee;
- (j) any gratuity payable to the employee;
- (k) any retrenchment compensation or other retirement benefit payable to the employee or any ex gratia payment made to him on the termination of employment, under any law for the time being in force;

Provided that for calculating the wages under this clause, if payments made by the employer to the employee under sub-clauses (a) to (i) exceeds one-half, or such other per cent, as may be notified by the Central Government, of the all remuneration calculated under this clause, the amount which exceeds such one-half, or the per cent, so notified, shall be deemed as remuneration and shall be accordingly added in wages under this clause: