

## ESI Act Related Problems & Their Solutions

**We are employing Sales Representatives whom we are paying commission and free boarding and lodging which are reimbursed on production of receipts therefore. Are such representatives to be covered under the ESI Act.**

**In case the boarding & lodging is reimbursed and only commission is paid to the sales representatives, they are not coverable under the provisions of ESI Act.**

**Under section 1(5) of the ESI Act, the Scheme is extended by the State government. I am anxious to know as to what is the co-relation between the State and the ESIC.**

**Shops and establishments are covered under the provisions of section 1(5) of the ESI Act only after the notification is issued by the State Government.**

**Our establishment have branches in various States including in Bihar at Patna. The authority under ESI insist that we should take separate code number or new code number under ESI. Kindly apprise is it necessary and what does the code number mean.**

**Though you can cover all of your employees throughout India from your head office in Ghaziabad and send the copy of return of contribution to the respective states but I will advise you to obtain separate code number for your branches in different States which will be beneficial to you as well as your employees.**

**We have some part time employees. Are we under obligation to cover them under the ESI. It is also pertinent to state here that some of employees are covered under another establishment. Will it not be double coverage if we cover already a covered employee who has its own pehchan patra.**

**All part time employees are coverable under the provisions of ESI Act. However, those employees who are also working with other employers and are covered by the other employer need not be covered separately by you. You should provide the details of salary drawn to the concerned employer.**