कर्मचारी राज्य बीमा निगम
Employees' State Insurance Corporation
श्रम एवं रोजगार मंत्रालय, भारत सरकार
Ministry of Labour & Employment, Government of India

SPREE 2025

A One-Time Opportunity by
ESIC

1 July 2025 – 31 December 2025

| No past dues | No inspections | No penalties |

Who can register?

- **Unregistered Employers-Eligible Employees**

- → Clean, hassle-free registration
- → Easy digital process via:
  - ESIC Portal
  - Shram Suvidha Portal
  - MCA Portal

Secure your workforce.
Enable access to ESIC benefits.
Act now — no second chances.

For more information, visit http://www.esic.gov.in or call the toll-free number 1800-11-2526.

@esichq   www.esic.gov.in

Wages Include-

i.   **Basic Pay**
ii.   **Dearness Allowance (DA)**
iii. **Retaining Allowance**, if any
These three components are always part **wages**.

Other allowances
a. Bonus (statutory or otherwise)
b. Value of house accommodation, utilities, medical facility, or amenities
c. Employer's contribution to PF/Pension Fund (and interest thereon)
d. Conveyance allowance / travelling concession
e. Sum paid to meet special employment-related expenses
f. House Rent Allowance (HRA)
g. Amounts payable under award/settlement/court order
h. Overtime allowance
i. Commission

Important Rule —

- **If the total of all excluded components (a to i) exceeds 50% of total remuneration,**

- **the excess amount must be added back to wages.**

Wage Calculation as per Code on Social Security, 2020 & ESIC Applicability (₹21,000 Ceiling)

Scenarios	Basic (a)	DA (b)	Retaining Allowance (c)	Other Allowances (d)	Gross Salary (e)	50% of Gross (f)	Excess of Other Allowances over 50% of Gross (g) =(d)-(e)	Wages for ESIC (h) =(a+b+c+g)	ESIC Applicable (≤ ₹21,000)
1	5,000	3,000	0	14,000	22,000	11,000	3,000	11,000	Yes
2	6,000	2,000	0	16,000	24,000	12,000	4,000	12,000	Yes
3	7,000	3,000	0	15,000	25,000	12,500	2,500	12,500	Yes
4	8,000	4,000	0	20,000	32,000	16,000	4,000	16,000	Yes
5	9,000	4,000	0	20,000	33,000	16,500	3,500	16,500	Yes
6	10,000	5,000	0	25,000	40,000	20,000	5,000	20,000	Yes
7	11,000	4,000	0	26,000	41,000	20,500	5,500	20,500	Yes
8	12,000	6,000	0	30,000	48,000	24,000	6,000	24,000	No
9	10,000	6,000	0	10,000	26,000	13,000	0	16,000	Yes
10	15,000	7,000	0	12,000	34,000	17,000	0	22,000	No

Note: These scenarios are for illustrative purpose only. Please refer official gazette notification and wage structure of your establishments for compliance purpose.

કર્મચારી રાજ્ય વીમા નિગમ
(શ્રમ અને રોજગાર મંત્રાલય, ભારત સરકાર)
कर्मचारी राज्य बीमा निगम
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
EMPLOYEES' STATE INSURANCE CORPORATION
(Ministry of Labour & Employment, Govt. of India)

પ્રાદેશિક કચેરી / क्षेत्रीय कार्यालय / **Regional Office**
પંચદીપ ભવન, આશ્રમ માર્ગ, અમદાવાદ – 380014, ગુજરાત
पंचदीप भवन, आश्रम मार्ग, अहमदाबाद – 380014, गुजरात
Panchdeep Bhavan, Ashram Road, Ahmedabad -14, Gujarat
Phone: 079-27582400/450, E-mail: rd-gujrat@esic.nic.in
Website: www.esic.nic.in / www.esic.in

Dear Valued Employer,

The Employees' State Insurance Corporation (ESIC), operating under the Ministry of Labour & Employment, Government of India, is committed to expanding social security coverage to every eligible worker across the nation. In light of recent legislative reforms and special initiatives, we wish to highlight two immediate and essential compliance requirements.

In this regard, your kind attention is solicited towards **Chapter I Section 2(88) of Code on Social Security, 2020**. The same has been briefly described below for kind information:

Harmonization of "Wages" under the Code on Social Security, 2020

What is Included in "Wages":

Basic pay, Dearness allowance (DA) & Retaining allowance, if any

Conditional inclusions (the 50% rule): If certain excluded payments exceed one- half (50%) of the total remuneration, the excess amount is "deemed as remuneration" and is added back into the definition of "wages" for social security calculations.

What is Excluded from "Wages":
The following components are excluded from the definition, provided they do not exceed the 50% cap of the total remuneration:

House Rent Allowance (HRA), Conveyance allowance or the value of any traveling concession, Overtime allowance, Any commission, Any bonus payable under any law not forming part of the employment terms, Employer's contribution to any pension or provident fund, Gratuity payable on employment termination, Value of house accommodation, light, water, medical attendance, or other amenities/services & Any sum paid to the employee for special expenses incurred due to the nature of employment

SPREE 2025 (Scheme for Promotion of Registration of Employers and Employees)

To facilitate universal social protection and encourage voluntary compliance, ESIC launched a special one-time opportunity: SPREE 2025. SPREE (Scheme to Promote Registration of Employers/Employees) is a special initiative by the Employees' State Insurance Corporation (ESIC), offering a one- time window from 1st July to 31st December 2025 for employers to register their factory/establishments and all eligible employees without any demand of dues for the past period.

Key benefits of registering under SPREE 2025:

- **Immunity from Penal Action:** Employers who register under SPREE are granted immunity from inspections, punitive actions, and demands for past dues or penalties for the period prior to registration.

- **Hassle-Free Registration:** The process is hassle-free and digital via the [Shram Suvidha portal](), [ESIC portal](), or MCA portal.

- **Ensuring Employee Welfare:** Registration provides employees and their families immediate access to comprehensive medical care, sickness benefits, maternity benefits, and disablement compensation.

  The window for this one-time opportunity is closing rapidly.

  The last date for availing the benefits of the SPREE 2025 scheme is **December 31, 2025**. After this date, normal enforcement provisions under the CoSS 2020, including retrospective coverage and penalties, will apply to non-compliant establishments.

  We urge all eligible employers to act promptly:

A. Register all establishments as per the definition of establishment under section 2(29) of *Code on Social Security, 2020*.

B. Register all employees, working in ESIC already registered establishments as well as registered during SPREE-2025, who are eligible as per the definition of wage under section 2(88) of *Code on Social Security, 2020*.

C. Ensure compliance with the new "wage" definition to correctly calculate and deposit monthly ESI contribution in time.

EMPLOYERS MAY KINDLY NOTE THAT EMPLOYEES DRAWING TOTAL REMUNERATION MORE THAN ₹21,000 MAY ALSO BE ELIGIBLE AS PER THE NEW DEFINITION OF WAGE UNDER SECTION 2(88) OF *CODE ON SOCIAL SECURITY, 2020.*

For assistance in registration, guidance, clarification, a Help Desk has been set up in all Branch Offices and Regional Office. Please contact your nearest ESIC Branch /Regional Office.

Your proactive cooperation ensures social security protection for the workforce and helps build a stronger, compliant labour ecosystem in India.

Sincerely,
Employees' State Insurance Corporation (ESIC) Regional Office, Ahmedabad, Gujarat.

Calculation Examples   **(TR=Total Remuneration)**

ESI is currently calculated at a rate of **0.75%** of wages for employees and **3.25%** for employers, for eligible employees earning a monthly wage of up to ₹21,000 (or ₹25,000 for persons with disabilities).

Example 1: Compliant Salary Structure (No add-back required)

An employee, Mr. A, has a total monthly remuneration of ₹20,000, which is below the ₹21,000 threshold.

Salary Component	Amount	Included/Excluded for Wages
Basic Pay + DA + RA	₹12,000	Included (60% of TR)
Allowances (HRA, Conveyance, etc.)	₹8,000	Excluded (40% of TR)
Total Remuneration (CTC)	**₹20,000**	
50% of TR limit for exclusions	_₹10,000_	
Actual Exclusions	_₹8,000_	

In this case, the actual exclusions (₹8,000) are less than the 50% limit ₹10,000). The ESI "wages" for calculation are the actual included components:

- **Total ESI Wages:** ₹12,000 (Basic + DA + Retaining Allowance)
- **Employee ESI Contribution:** 0.75% of ₹12,000 = ₹90
- **Employer ESI Contribution:** 3.25% of ₹12,000 = ₹390
- **Total ESI Contribution:** ₹480

Example 2: Non-Compliant Salary Structure (Add-back required)

An employee, Ms. B, has a total monthly remuneration (TR) of ₹20,000. Her salary is structured differently.

Salary Component	Amount	Included/Excluded for Wages

Basic Pay + DA+ RA	₹8,000	Included (40% of TR)
Allowances (HRA, Conveyance, etc.)	₹12,000	Excluded (60% of TR)
Total Remuneration (TR**)**	**₹20,000**	
50% of TR *limit for exclusions*	*₹10,000*	
Excess Exclusions	*₹12,000 - ₹10,000 = ₹2,000*	

Here, the actual exclusions (₹12,000) exceed the 50% limit (₹10,000) by ₹2,000. This excess amount must be added back to the "wages":

- **Total ESI Wages:** ₹8,000 (Basic+DA+RA) + ₹2,000 (Excess Add-back) = ₹10,000
- **Employee ESI Contribution:** 0.75% of ₹10,000 = ₹75
- **Employer ESI Contribution:** 3.25% of ₹10,000 = ₹325
- **Total ESI Contribution:** ₹400

The Social Security Code, 2020 aims to standardize the wage base to ensure fair and consistent calculation of social security benefits, including ESI.

Example 3: High Allowances, within ESI Limit

Ms. C earns a total monthly remuneration (TR) of **₹20,000**. Her structure has high allowances.

Salary Component	Amount (₹)	Status (for calculation)
Basic Pay + DA + RA	₹9,000	Included
Allowances (HRA, Conveyance, etc.)	₹11,000	Excluded components
Total Remuneration (TR**)**	**₹20,000**	

50% of TR *limit for exclusions*	₹10,000
Excess Exclusions (added back to wages)	₹11,000 (actual) - ₹10,000 (limit) = **₹1,000**

- **Total ESI Wages:** ₹9,000 (Basic + DA+RA) + ₹1,000 (Add-back) = **₹10,000**

- **Employee ESI Contribution:** 0.75% of ₹10,000 = **₹75**

- **Employer ESI Contribution:** 3.25% of ₹10,000 = **₹325**

  Key Takeaway

  Even though her actual Basic Pay is low, the 50% rule ensures her statutory ESI wage base is higher, leading to increased contributions compared to the pre-Code era

Example 4: High Allowances, above ESI wage Limit

Ms. E earns a total monthly remuneration (TR) of **₹46,000**, which is above the ₹21,000 threshold. Her structure has also high allowances.

Salary Component	Amount (₹)	Status (for calculation)
Basic Pay + DA	₹ 20,000	Included
Allowances (HRA, Conveyance, etc.)	₹ 26,000	Excluded components
Total Remuneration (TR**)**	**₹ 46,000**	

50% of TR *limit for exclusions*	₹ 23,000
Actual exclusions	₹ 26,000
Excess Exclusions (added back to wages)	₹ 26,000 (actual) - ₹ 23,000 (limit) = **₹3,000**

- **Total ESI Wages:** ₹ 20,000 (Basic + DA) + ₹3,000 (Add-back) = **₹23,000**
  Which is above ₹21,000 ESIC wage limit, hence, Exempted from ESIC.

Example 5: High Allowances, Wages Under Limit, Add- back Required

Ms. F earns a total monthly remuneration (TR) of **₹30,000**, which is above the ₹21,000 threshold. Her structure has also high allowances.

Salary Component	Amount (₹)	Status (for calculation)
Basic Pay + DA + RA	₹ 12,000	Included
Allowances (HRA, Conveyance, etc.)	₹ 18,000	Excluded components
Total Remuneration (TR**)**	**₹ 30,000**	

50% of TR *limit for exclusions*	*₹ 15,000*
Actual exclusions	*₹ 18,000*
Excess Exclusions (added back to wages)	*₹ 18,000 (actual) - ₹ 15,000 (limit) =* **₹3,000**

- **Total ESI Wages:** ₹ 12,000 (Basic + DA+RA) + ₹3,000 (Add-back) = **₹15,000**
  Which is below ESIC wages limit i.e ₹21,000.

  Calculate ESI Contributions:
  - **Employee Share:** 0.75% of ₹15,000 = **₹112.5**
  - **Employer Share:** 3.25% of ₹15,000 = **₹487.5**
  - **Total ESI Deposit:** ₹112.5 + ₹487.5 = **₹600**

Example 6: High Allowances, Wages Under Limit, Add- back Required

Ms. F earns a total monthly remuneration (TR) of **₹40,000**, which is above the ₹21,000 threshold. Her structure has also high allowances.

Salary Component	Amount (₹)	Status (for calculation)
Basic Pay + DA + RA	₹ 16,000	Included

Allowances (HRA, Conveyance, etc.)	₹ 24,000	Excluded components
Total Remuneration (TR)	**₹ 40,000**	

50% of TR limit for exclusions	*₹ 20,000*
Actual exclusions	*₹ 24,000*
Excess Exclusions (added back to wages)	*₹ 24,000 (actual) - ₹ 20,000 (limit)* = **₹4,000**

- **Total ESI Wages:** ₹ 16,000 (Basic + DA) + ₹4,000 (Add-back) = **₹20,000**
  Which is below ESIC wages limit i.e ₹21,000.

  Calculate ESI Contributions:

  - **Employee Share:** 0.75% of ₹20,000 = **₹150**

  - **Employer Share:** 3.25% of ₹20,000 = **₹650**
  Total ESI Deposit: ₹112.5 + ₹487.5 = **₹800**