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Daily news summary**Employees State Insurance Act Recovery Enforcement**

UPSC Civil Services • 25 August 2026 • Prelims and Mains

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WHY IN NEWS

- The Employees' State Insurance Corporation launched recovery proceedings to clear statutory default certificates pending under the ESI Act.

WHAT IS THE ESI ACT, 1948?

- A social security law providing medical care and cash benefits to wage earners in organized factories and commercial establishments.
- Financed through mandatory joint statutory contributions from covered employers and employees.

ENFORCEMENT MECHANISMS UNDER THE ACT

- **Section 45C** empowers designated ESIC Recovery Officers to issue attachment and sale orders against defaulters' properties.
- Authorizes direct arrest and detention of non-compliant employers in cases of persistent contribution evasions.

WHY IT MATTERS

- Ensures structural liquidity for social safety nets protecting formal low-income sector workers.
- Reflects administrative compliance challenges in transitioning informal units into formal social security frameworks.

KEY TERMS

- **Recovery Certificate:** A legal instrument issued by an authorized officer specifying unpaid statutory dues to initiate property attachment or recovery.
- **Social Security Code:** The consolidated labor reform code intended to integrate the ESI Act and other welfare statutes.

PAPERS

GS2, GS3

PRELIMS FACTS

- The **ESI Act of 1948** is administered by a statutory body comprising representatives from central/state governments, employers, and employees.

MAINS DISCUSSION

- Examine the statutory enforcement powers of ESIC and the challenges in implementing social security coverage across micro enterprises.

KEY DATA

- **Parent Statute:** **Employees' State Insurance Act, 1948** - The statutory authority establishing ESIC and detailing employer compliance mandates.
- **Enforcement Clause:** **Section 45C** - Empowers ESIC officers to attach property and enforce recovery of unpaid statutory social security contributions.

[Official source](#)

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