

## 15 Employee Separation (Full and Final Settlement) Policy

Policy No.	CATALYST\HR\15
Policy Owner	Chief Human Resources Officer
Function	HR & Admin
Approver	Managing Director
Issue Date	01-04-2023
Version	1.0
Last amended on	

### **Objective:**

To ensure a smooth process for the existing employee and provide platform for analysing the reasons of separation for drawing out action plan for improvement.

### **Coverage:**

All employees who have resigned/ are terminated from the services of the Company.

### **Process Guidelines:**

1. Any employee wishing to separate from the Company needs to put the request through HRIS Separation Module or through e-mail as an exception. This online / email request would be directed to HOD for approval.
2. HOD after discussions with the resigned employee forwards the resignations to the HR department, after due acceptance through HRIS Separation Module or through approval email as an exception.
3. Resigned employee will not be entitled to avail the EL balance during the notice period and has to serve the notice period. The notice period should be served as per the duration detailed in the table below OR as per the terms of appointment as applicable. The date of relieving is under the discretion of the concerned HOD or as per company rules from the date of resignation. Any deviation to this needs the approval of the Head HR.

### **Notice Period:**

- Once the resignation given and accepted by the management, it cannot be revoked or taken back
- 15 days' notice period or 15 days gross salary (Basic+DA+HRA) payment for probationary employees
- 30 Days or 1 Month notice period or 1 month salary payment (Basic+DA+HRA) for the confirmed employees
- In case of termination of employee, the employer will pay 15 days or 30 days salary or the employee is allowed to serve the 15 days or 1 month notice period
- Notice period can be waived off (cancelled or reduced) on the discretion of the Director HR/ Management.



**Leave Encashment:**

- Only Earned leaves are en-cashed.
- Leaves are en-cashed at the rate of basic salary of the employee
- Casual leaves will be lapsed and cannot be en-cashed
- Only compensatory off for the current month can be adjusted in the leave during the notice period
- Compensatory off cannot be en-cashed

**Company Assets or Properties:**

- All the major items like Car, Data Card, Laptop, Mobile Phone has to be returned by the employee leaving the organization to the HR / Admin department before any clearance form is submitted
- Sim Card (if company provided), Uniform, ID cards, Keys of the drawer and Name Badge are to be returned back to the HR department and the clearance forms are to be signed by the employee
- All the company records and files are to be properly handed over to the reporting head or head of department of the existing employee

**Absence in the Notice Period:**

- The existing employee is not allowed to remain absent during his notice period
- If such employee remains absent during his notice period, then the notice period of the employee will be extended by the number of days the employee remains absent or salary of that period can be deducted from the full and final payment given to the employee

**Other Deductions:**

- If the employee leaves the organization before completing the six months, then cost of following will be deducted from his full and final payment cheque:
  - Cost incurred on the preparation of **Uniform** (includes shirts, Trousers, Blazers, tie) to the employee
- In addition to the above the following also can be deducted at the time of full and final payment of all the leaving employees
  - Any amount excess of the limit sanctioned in the **Mobile Phone Bill** of the employee
  - If any repair is required on the asset returned by the employee, then **cost of such Repair work**
  - **Balance of Advance or Loan Amount** taken by the employee
  - If **Uniform is Relssued** and person is leaving within 3 months of such relssue, then cost of uniform will be deducted from full and final payment of the leaving employee

**General:**

- If the leaving employee is eligible for any reimbursement, then he/she must submit all the bills and necessary documents to the Admin and Finance Department before settling his/her account



- If there is any Tax Liability, supporting documentary proofs has to be submitted to the finance department otherwise it will be deemed that there is no investments/documents and TDS will be calculated and deducted accordingly
- The full and final payment will be processed by the HR department only after getting the approved clearance form
- The exit interview form is to be filled by the leaving employee before releasing the payment
- The full and final payment will be made by cheques only and the employees have to sign the documents related to the full and final payment.

**Exit Interview:**

1. Any employee leaving the company has to appear for an Exit Interview with the HR department which is documented in a specific format called as Exit Interview Form. The basic idea of Exit Interview is to understand from the exiting employee the following:
  - a. The set of anticipated expectations (includes job/ organisation/ working environment/ empowerment/ job content/ emoluments/ service benefits) from the employee and the mismatch between the same.
  - b. Set of actual problems faced while working (Attitude of seniors, colleagues, juniors, other departments/ long working hours/ tough targets/ less perquisites etc)
  - c. The aspects on which the New Assignment of the resignee is better than the existing one.
  - d. Valuable feedback/ suggestions from the resignee, which would help to improve the total organisational environment related to work and working conditions.

**Full & Final Settlement:**

1. Once the HR receives the resignation duly accepted by the HOD, the acceptance by the Head HR is obtained. Based on this, the process of Full & Final Settlement is started. The HR sends the intimation of acceptance to the resigned employee and requests him/her to furnish the following:
  - a. Concerned Department of the resigned employee
  - b. IT Department
  - c. Administration
  - d. Purchase Dept
  - e. Finance & Accounts
  - f. Payroll
  - g. HR
2. The No Dues Clearance Form is circulated by the HR Department to all the departments two days before the relieving date of the resigned employees with facilitation from the respective BU-HR (Business Unit HR).
3. On receipt of clearance form from all departments, HR Department calculates the Full & Final Settlement of the concerned employee and prepares the final due sheet.
4. The final settlement sheet is approved by the Head HR and is sent to the Finance Department for preparation of the Settlement amount.
5. The final settlement amount if payable is directly credited to the resigned employee bank account. In case of recovery, the resigned employee needs to give a cheque to the Company for the due amount immediately. The relieving is subject to clearance of all pending dues of the Company.
6. All the relevant documents are filed in the personal file of the resigned employee for reference.
7. The resigned employee is Issued the following certificates at the time of relieving:



- a. Resignation Acceptance Letter once resignation is accepted.
- b. Relieving letter cum experience Certificate at the time of relieving.

***The Management, may its discretion, review this policy periodically and make modifications as necessary from time to time.***

