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Separation Policy

VERSION 2.0

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Document Release Notice

This policy on Separation, Version 2.0, is released for use in TATA Consultancy Services (TCS) with effect from 01 January 2010.

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Revision List

Revision Version No.	Policy effective date	Document Release/ Revision Date	Revision Description	Section No.	Rationale for change	Change type (add/ modify/ delete)	Policy revision/ Document revision
2.0	01-Oct-07	01-Jan-10	'Intended Audience' section has been removed	Intended Audience	This section was no longer required.	Modify	Document revision
2.0	01-Oct-07	01-Jan-10	Reference for BPO Notice Period Policy provided. This would be applicable to BPO employees.	Eligibility	To ensure latest reference is provided.	Modify	Document revision
2.0	01-Oct-07	01-Jan-10	Reference for TCS Holiday Homes and Health Insurance policy has been rectified	Retirement	To ensure latest reference is provided.	Modify	Document revision

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2.0	01-Oct-07	01-Jan-10	Addition of a clause that an employee may be terminated any time during their service with the Organisation including during or at the end or after completion of Training/Probation period (based on the reasons for termination).	Termination (Provisions)	To clearly specify that termination can happen during or at the end of Probation/Training period.	Add	Document Revision
2.0	01-Oct-07	01-Jan-10	Notice Pay may be paid in case an employee is terminated during Training/Probation period but will not be paid in case employee is terminated at the end of Training/Probation period. In the latter case, employee is informed of the termination 7 days prior to completion of Training/Probation period.	Termination (Provisions)	To clearly specify scenarios when Notice Pay will be paid or not paid.	Add	Document Revision
1.0	01-Oct-07	01-Oct-07	First Release	NA	NA	NA	NA

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Definitions

The table below gives the definitions of the key terms:

Term	Definition
Full and Final Settlement (FFS)	Process for calculating and settling the monetary dues (payable/recoverable) pertaining to the employee separation from the organisation.
International Assignment Agreement	An agreement between the TCS and the employee, signed at the time of deputation/secondment to a location outside the home country, wherein the employee agrees to serve TCS for a minimum period (as decided in the Deputation Agreement) starting from the date of returning to home country from the host location.
Notice Period	Notice period is the time an employer and/or employee needs to give the other if they decide to separate before normal retirement age.
Release Date/Day	The last working day of the employee in the Organisation after which the person ceases to be an employee of TCS. Release date/day is always a working day (except incase of death wherein it is the actual date of employee's demise). The full and final settlement of dues is calculated up to the release date/day.
Service Agreement	An agreement between the TCS and the employee (if applicable to the employee) signed at the time of joining, wherein the employee agrees to serve the TCS for a minimum period from the date of joining as decided in the Service Agreement.
Training Agreement	An agreement between TCS and the employee, signed at the time of imparting any specialized training to the employee, wherein the employee agrees to serve TCS for a minimum period from the date of completion of the training as decided in the Training Agreement.
Agreement Commitment	This term is being used within the document to refer to one or all of the commitments to be served towards Service Agreement, International Assignment Agreement and Training Agreement post Separation.

Introduction

Separation is the last stage in the lifecycle of an employee within the organisation. In TCS, Separation is a key HR function. The initial process is managed locally at the branches (Branch HR/Branch Separation Officers) and thereafter by Corporate (Corporate FFS Cell).

Background and Objective

With a view to avoid disruption of customer projects and to derive the full benefits of investments in training of employees, we have been following specific policies with respect to employees who are to separate from the organisation. Our current policy requires employees to provide prior written notice of Separation and, to return to home country before serving notice if they are on deputation outside home country. The applicability of the notice period and the number of days to be served varies depending on individual situations. Breach of these requirements is met with liquidated damages.

With the expansion of business and changing environment in the industry, it has become necessary to review and rationalize our policy to align with the changing market conditions such that Organisation is able to continue to attract talent without compromising on the need for predictability, seamless transition and protection of intellectual property and proprietary information.

Implementation Date

This policy is applicable with effect from October 1, 2007. All Separations on or after October 1, 2007 will be governed by this policy. However, employees who are serving notice period prior to the effective date of this policy seek to obtain the benefit of this policy by written application and their requests will be considered unless circumstances require otherwise.

This document will serve as the written policy on Separation in Tata Consultancy Services Limited.

Purpose

- To ensure business continuity for the organisation and smooth transition for the outgoing employee on account of Separation.
- To safeguard intellectual property rights, confidentiality and security interests of TCS and the client.
- To define the circumstances under which the separation may be initiated by TCS.
- To define terms and conditions of Separation which the employee needs to satisfy before being released from TCS.
- To ensure that the organisation extends support during the separation process.
- To highlight the legal formalities involved (if any).

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- To stipulate the time period required for release after initiation of Separation.
- To ensure fair and impartial proceedings.

Eligibility

- This policy is applicable to all Full time employees of TCS India except those belonging to the BPO revenue stream

Note: *BPO employees will be governed by the 'BPO Notice Period' policy defined for the BPO revenue stream.*

- This policy is not applicable to
 1. Business Associates, Academic trainees, ACE Associates and Contract Consultants.
 2. Individuals recruited outside India who are governed by local policy of their respective countries.

Key Highlights

- Notice period for resignation in home country has been changed to 30 calendar days.
- Commitment under International Assignment is now 90 calendar days.

Scope

The scope of the policy is:

- Circumstances for initiating the Separation
- Notice period
- All Agreements which the employee may be covered under at the time of Separation
- Components paid and recovered during Full and Final settlement
- Separation at the host location
- Initiation of Separation when on leave
- Leave eligibility during Separation proceedings
- Compensation revision during Separation proceedings

Separation is classified into six different types based on the circumstances under which the employee separates from the organisation. The Separation types are as follows:

1. Resignation
2. Breach of contract
3. Termination
4. Retirement
5. Death
6. Redundancy

The section below provides the Provisions and Terms & Conditions for each Separation type.

Resignation

Resignation is the type of Separation wherein an employee voluntarily leaves the services of the organisation. Resignation is a personal decision of the employee and is initiated through a formal Resignation letter submitted by the employee as a notice of intention to resign.

Outline

Timeline of Applicability

This policy is applicable when an employee submits his Resignation.

Provisions (Entitlements / Outcome)

The provisions are detailed below:

1. Notice Period

Notice period is the number of days of active service with the Organisation that an employee is required to complete commencing on the date of receipt of the letter of resignation and ending on the Release Date, provided that prior to the Release Date the employee has completed all required tasks to ensure smooth transition of job/role related responsibilities and assignments on hand and returned all company property including documents, data, etc.

- a. No employee may resign except upon serving a written notice of Resignation and completing the Notice Period. Notice period will be effective from the date of receipt of formal written intimation of Resignation.
- b. Notice Period will be calculated as follows

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- For an employee resigning in the home location (and not under the International Assignment Agreement), the minimum notice period will be 30 calendar days.
 - For an employee resigning in a home location and currently under the International Assignment Agreement, the minimum notice period will be 30 calendar days from date of resignation OR 90 calendar days from the date of reporting at home location, whichever is later.
 - For an employee resigning in a location outside the home location, the minimum notice period will be 90 calendar days.
- c. Incase the employee requests to be relieved without serving the complete notice period he or she is liable to pay a liquidated damage towards the shortfall in the notice period which is calculated based on the last drawn / maintained basic pay component of the home location salary of the employee.

2. Service Agreement

If an employee covered under the Service Agreement resigns before completing his or her full commitment, as per the agreement, he or she is liable to pay the full liquidated damages, without any pro-rata calculations.

3. International Assignment Agreement

If an employee covered under the International Assignment Agreement resigns at the host location (i.e. difference between Release date and date of submitting Resignation at the host location is < 3 months) OR resigns before completing 3 months from the date of reporting to home location after an International Assignment (i.e. difference between Release date and date of returning to home location is < 3 months), he or she is liable to pay pro-rated liquidated damages, calculated based on the completed months served, after date of Resignation / reporting to the home location.

4. Training Agreement

In case an employee is covered under the Training Agreement, the terms and condition of the training agreement shall prevail.

5. Components paid and recovered during Full and Final settlement

- a. The employee should settle all outstanding dues towards loans, advances or pending assets at least one week before the release date so that Full and Final settlement can be initiated.
- b. Incase the employee wishes to adjust any outstanding dues against Gratuity, he or she needs to sign a written undertaking for the same.
- c. No outstanding dues can be recovered from the employee's Provident Fund.
- d. Retirals may be withdrawn on a declaration by the employee (specific forms need to be filled by the employee for this purpose).
- e. Incase the employee wishes to transfer the retirals to another employer, he/she needs to complete the transfer formalities with the next employer.

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- f. Payables (if any) will be credited to the employee's salary account.
- g. Earned vacation (if any) will be encashed.

Terms and Conditions

1. Resignation at Host location

- a. An employee may submit his / her Resignation when on an assignment to a host location. However, the employee must report to his / her base branch in the home location for the full and final settlement before the Release date.
- b. The necessary legal formalities related to cancellation of visas and work permits need to be intimated to the immigration authorities of that country by the Host country HR.
- c. Notice Period and/or Agreement commitment may be served completely in the home location OR partly at host location and partly at home location, subject to HR and Supervisor approval.

2. Notice Period and Agreements commitment

- a. The Notice Period, Service Agreement Period, International Assignment Agreement Period and the Training Agreement Period will be calculated individually as per the policy provisions above and may be served concurrently, but each individual period should be completed.
- b. If the Release date requested is before completion of either one or more of the Notice Period and/or any Agreement commitment, the employee will be liable to pay liquidated damages towards each incomplete commitment as per the respective policy provision.

3. Availing Leave while serving the Notice or Agreement Period

- a. When serving the Notice Period and/or Agreement commitment post initiation of the Separation, the employees are not entitled for any leave except incase of a medical emergency. In case of a medical emergency, employee may avail Sick leave and submit the relevant proofs within 3 working days on resuming duties. Such Sick leave period shall be considered as valid for the purpose of Notice Period and/or Agreement commitment.
- b. Employees, who remain on unauthorized absence during notice period, will be treated as a breach case and the necessary disciplinary action / proceedings will be initiated.
- c. *Resignation is submitted when an employee is on Long leave paid or unpaid (> 60 calendar days):* The policy provisions provided above will apply. The employee should pay liquidated damages in lieu of the Notice Period and/or Agreement commitment as per the policy. The period when the employee is on leave will not be considered as valid Notice Period and/or Agreement commitment.
- d. *Resignation is submitted when an employee is on Leave paid or unpaid (<=60 days):* The policy provisions as indicated above will apply. The employee is obligated to serve Notice Period and/or Agreement commitment else, pay liquidated damages in lieu of the same as per the policy. The period when the employee is on leave will not be considered valid as Notice Period and/or Agreement commitment.

- e. Any commitment towards Notice Period and/or Agreement commitment cannot be adjusted against any accumulated leave balance.

4. Full and Final Settlement

- a. The full and final settlement of the dues of the employees will be done as applicable from home country and will be calculated based on the last drawn / maintained home country salary.
 - b. Any shortfall in the notice period will be recovered through full and final settlement. Such calculation will be based on the last basic pay drawn / maintained in home country salary of the employee.
 - c. If the employee's Separation is during the period when TCS revises and implements the annual compensation, the revised compensation will only be applicable to employees who are in service of TCS at that time. It will be also applicable to employees who are serving the notice period. However the revision will not be applicable to employees who have already left the service of TCS before the announcement of revised compensation.
5. The employee's release will be subject to the completion of the handover / takeover process (PP 1130) as provided in the Project Procedures Manual TCS-iQMS-052. This is to ensure business continuity and smooth transition post separation.

Breach of Contract of Employment

Breach is the type of Separation when an employee does not report to work for a prolonged period without any communication or leaves the organisation without fulfilling all the obligations required for Separation.

Outline

Timeline of Applicability

This policy is applicable when an employee does not report for a prolonged period without any communication or leaves TCS without fulfilling all the obligations required for Separation.

Provisions (Entitlements / Outcome)

The provisions are detailed below:

1. TCS will initiate legal action against the employee in the following cases:
 - Employee breaches the contract of employment and outstanding dues are not settled.
 - Employee breaches any Agreement commitment.
2. **Notice Period**

Notice period is the number of days of active service with the Organisation that the employee was expected to give before leaving the organisation, for ensuring smooth transition of job/role related responsibilities and assignments.

 - a. In case of breach of contract of employment the employee leaves TCS without completing the Separation process. In all such cases the employee is liable to pay a liquidated damage towards the notice period which is calculated based on the last drawn / maintained basic pay component of the home location salary of the employee.
 - b. Notice Period will be calculated as follows
 - In case of breach in the home location (and is not under the International Assignment Agreement), the minimum notice period will be 30 calendar days.
 - In case of breach in the home location and currently under the International Assignment Agreement, the minimum notice period will be 30 calendar days from date of breach OR 90 calendar days from the date of reporting at home location, whichever is later.
 - In case of breach in a location outside the home location, the minimum notice period will be 90 calendar days.
 - c. In case of breach where the employee has partly served the notice period the liquidated damages are calculated only for the shortfall in notice period.

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3. Service Agreement

If an employee covered under the Service Agreement breaches before completing his or her full commitment, as per the agreement, he or she is liable to pay the full liquidated damages, without any pro-rata calculations.

4. International Assignment Agreement

a. If an employee covered under the International Assignment Agreement breaches within 3 months from the date of reporting to home location after an International Assignment (i.e. difference between breach date and date of returning to home location is < 3 months), he or she is liable to pay pro-rata liquidated damages, calculated based on the completed months served.

5. Training Agreement

a. In case an employee is covered under the Training Agreement, the terms and conditions of the training agreement shall prevail.

6. Components paid and recovered during Full and Final settlement

- a. All outstanding dues recoverable from the employee towards loans, advances or pending assets will be adjusted against payables towards payroll and legal action will be initiated for recovery of pending dues (if any).
- b. Incase the employee wishes to adjust any outstanding dues against Gratuity, he or she needs to sign a written undertaking for the same.
- c. No outstanding dues can be recovered from the employee's Provident Fund.
- d. Retirals may be withdrawn on a declaration by the employee (specific forms need to be filled by the employee for this purpose).
- e. Incase the employee wishes to transfer the retirals to another employer, he/she needs to complete the transfer formalities with the next employer.
- f. Payables (if any) will be credited to the employee's salary account.
- g. Earned vacation (if any) will be encashed.

7. No release letter will be given to Breach cases and breach will be mentioned in the employee's Service certificate.

Terms and Conditions

1. Breach of contract from Host location

- a. Incase the employee stops attending work at the host location the breach proceedings may be conducted at the either the host or the home location.
- b. The necessary legal formalities related to cancellation of visas and work permits need to be intimated to the immigration authorities of that country by the Host country HR.

2. Breach when on leave

- a. *Breach when an employee is on Leave paid or unpaid:* The policy provisions as indicated above will apply. If the employee breaches when on leave and doesn't resume official duty as planned he/she is obligated to serve Notice Period and/or Agreement commitment else, pay liquidated damages in lieu of the same as per the policy. The period when the employee is on leave will not be considered as valid Notice Period and/or Agreement commitment.

3. Notice Period and Agreements commitment

- a. If on the date of breach the employee is under any agreement or has not served the notice period, the employee will be liable to pay liquidated damages towards each incomplete commitment as per the respective policy.
- b. Any commitment towards Notice Period and/or Agreement commitment cannot be adjusted against any accumulated leave balance.
- c. If the employee is not contactable at the given address at the home location, the employee's surety will be held liable for the dues towards Service Agreement and will be asked to pay the liquidated damages.

4. Full and Final Settlement

- a. The full and final settlement of the dues of the employees will be done as applicable from home country and will be calculated based on the last drawn / maintained home country salary.
 - b. Any shortfall in the notice period will be recovered through full and final settlement. Such calculation will be based on the last basic pay drawn / maintained in home country salary of the employee.
 - c. Any upward revision in compensation will not be applicable to all such employees.
5. Employees whose services were terminated on account of the disciplinary action or those who breached agreement will not be considered for employment again in TCS, anytime in the future.
 6. The Supervisor would need to ensure as much takeover of the employee's activities as provided in the Project Procedures Manual TCS-iQMS-052. This is to ensure business continuity and smooth transition post separation.

Termination

Termination is type of Separation wherein an employee is asked to leave the Organisation on account of non performance or misconduct or violation of security or due to long term absence/unavailability of the employee etc. The decision to terminate an employee is taken by the Supervisor and senior management. Termination of the employee is discussed and conveyed to the employee vide his or her Supervisor or senior management.

Outline

Timeline of Applicability

This policy is applicable when TCS decides to terminate the services of an employee.

Provisions (Entitlements / Outcome)

The provisions are detailed below:

1. Circumstances under which an employee may be terminated

An employee may be considered for termination from the services of TCS on account of

- a. Non-performance
- b. Misconduct
- c. Violation of security
- d. Prolonged absence without prior authorization

Note: This list of reasons is indicative but not exhaustive.

- 2. TCS reserves the right to initiate legal action against the employee in the case of a gross misconduct at the discretion of the Senior Management.
- 3. An employee may be terminated at any time during his or her service with the Organisation including during the Training/Probation period or at the end of the Training/Probation period or after being confirmed due to any of the above reasons.

4. Notice Period to be given to the employee before termination

- a. Notice period is the number of days of prior notice that an employer is required to provide to an employee commencing on the date of intimating the employee of Separation through a notice and ending on the Release Date.
- b. Notice Period is considered as follows:
 - For an employee who is being terminated at the home location (and not under the International Assignment Agreement), the notice period will be for 30 calendar days.

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- For an employee who is being terminated at the home location and currently under the International Assignment Agreement, the notice period will be 30 calendar days from date of termination OR 90 calendar days from the date of reporting at home location, whichever is later.
- c. An employee who has been terminated from TCS should leave the services of the TCS with immediate effect.
- d. In case an employee is terminated during the Training/Probation period, the employee will receive notice pay in lieu of the notice period.

Note:

- *Termination during Training/Probation period implies that the service of the employee is terminated before completion of his or her Training/Probation period.*
- *In case non-performance is a reason for termination of the employee during his or her Training/Probation period, notice pay will be paid irrespective of whether he or she has been put on a Performance Improvement Plan (PIP).*
- *In case misconduct is a reason for termination of the employee during his or her Training/Probation period, Management reserves the right to forfeit the Notice pay depending on the nature of misconduct*
- e. In case an employee is terminated at the end of Training/Probation period, the employee will not receive notice pay in lieu of the notice period. In such situations, the employee will be intimated about the decision to terminate his or her employment at least seven days prior to completion of the Training/Probation period.

Note:

- *Termination at the end of Training/Probation period implies that the service of the employee is terminated at a time when his or her Training/Probation period is over however formalities for completion of Training/Probation period are yet to be done in the system. Therefore, the employee is yet to receive his or her letter of successful completion of Training/Probation period.*
 - *In case non-performance is a reason for termination of the employee at the end of his or her Training/Probation period, notice pay will not be paid irrespective of whether he or she has been put on a Performance Improvement Plan (PIP).*
 - f. In case an employee is terminated after completion of Training/Probation period i.e after he or she has become a confirmed employee, the employee will be paid notice pay in lieu of the notice period.
- Note:** *Management reserves the right to forfeit the Notice pay of a confirmed employee depending on the nature of misconduct.*
- g. Notice pay is based on the last drawn/maintained basic pay component of the home location salary.

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5. Service Agreement

If an employee covered under the Service Agreement is terminated, all commitments towards the same will be waived off.

6. International Assignment Agreement

If an employee covered under the International Assignment Agreement is terminated, all commitments towards the same will be waived off.

7. Training Agreement

If an employee covered under the Training Agreement is terminated, all commitments towards the same will be waived off.

Note: Management reserves the right to forfeit the Notice pay and/or enforce the agreements depending on the nature of misconduct.

8. Components paid and recovered during Full and Final settlement

- a. The employee should settle all outstanding dues towards loans, advances or pending assets at least one week before the release date so that Full and Final settlement can be initiated.
- b. Incase the employee wishes to adjust any outstanding dues against Gratuity*, he or she needs to sign a written undertaking for the same.
- c. No outstanding dues can be recovered from the employee's Provident Fund.
- d. Retirals may be withdrawn on a declaration by the employee (specific forms need to be filled by the employee for this purpose).
- e. Incase the employee wishes to transfer the retirals to another employer, he/she needs to complete the transfer formalities with the next employer.
- f. Payables (if any) will be credited to the employee's salary account.
- g. Earned vacation (if any) will be encashed.

***Note:** The gratuity of an employee, whose services have been terminated for any act, willful omission or negligence causing any damage or loss to, or destruction of, property belonging to the employer, shall be forfeited to the extent of the damage or loss so caused.

The gratuity payable to an employee shall wholly be forfeited:

- If the services of such employee have been terminated for his riotous or disorderly conduct or of any act of violence on his part.

OR

- if the services of such employee have been terminated for any act which constitutes an offense involving moral turpitude, provided that such offense is committed by him in the course of his employment.

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Terms and Conditions

1. Termination at Host location

- a. An employee may be considered for termination when on an assignment to a host location, however the termination proceedings itself should be carried out at the employee's home location. Termination at host location is not permitted. The employee must report to his or her base branch in the home location for the full and final settlement before the Release date.

2. Availing Leave during Termination Proceedings

- a. During the Termination Proceedings, the employee will be expected to be present for all discussions as and when required until the charges are proven or otherwise.
- b. When termination is initiated when an employee is on Long leave, the policy provisions provided above will apply. The employee should join back and complete the termination proceedings.

3. Full and Final Settlement

- a. The full and final settlement of the dues of the employees will be done as applicable from home country and will be calculated based on the last drawn / maintained home country salary.
- b. If the termination proceedings are conducted during the period when TCS revises and implements the annual compensation, the revised compensation will only be applicable to employees who are in service of TCS at that time. However the revision will not be applicable to employees who have already left the service of TCS before the announcement of revised compensation.
4. Employees whose services were terminated on account of the disciplinary action will not be considered for employment again in TCS, anytime in the future.
5. The employee's release will be subject to the completion of the handover / takeover process (PP 1130) as provided in the Project Procedures Manual TCS-iQMS-052. This is to ensure business continuity and smooth transition post separation.

Retirement

Retirement is a type of Separation wherein an employee on reaching a pre-determined age (retirement age defined for the organisation) retires from the organisation.

Outline

Timeline of Applicability

This policy is applicable when an employee reaches the retirement age (retirement aged defined by TCS is 60 years). The date of retirement is the last working day of the month in which the employee completes the retirement age.

Provisions (Entitlements / Outcome)

The provisions are detailed below:

1. Notice Period

No Notice Period needs to be served for Separation upon retirement.

2. Service Agreement

Not Applicable.

3. International Assignment Agreement

If an employee covered under the International Assignment Agreement at the time of retirement, all commitments towards the same will be waived off.

4. Training Agreement

If an employee covered under a Training Agreement at the time of retirement, all commitments towards the same will be waived off.

5. Components paid and recovered during Full and Final settlement

- a. The employee should settle all outstanding dues towards loans, advances or pending assets at least one week before the release date so that Full and Final settlement can be initiated.
- b. Incase the employee wishes to adjust any outstanding dues against Gratuity, he or she needs to sign a written undertaking for the same.
- c. No outstanding dues can be recovered from the employee's Provident Fund.
- d. Retirals may be withdrawn on a declaration by the employee (specific forms need to be filled by the employee for this purpose).
- e. Incase the employee wishes to transfer the retirals to another employer, he/she needs to complete the transfer formalities with the next employer.

- f. Payables (if any) will be credited to the employee's salary account.
- g. Earned vacation (if any) will be encashed.

6. Benefits

- a. **Paid vacation for Retiring employees:** All employees who are due to retire in the next 3 months are eligible to avail a one week vacation sponsored by TCS at one of the TCS Holiday home

[Refer Ultimatix for more details on TCS holiday homes](#)

- b. **Health Insurance Coverage for Retirees:** Retired employees of TCS may choose to continue to be covered under the TCS Health Insurance Scheme

[Refer TCS India Policy –Health Insurance for more details on the terms and conditions and premium applicable for Health Insurance](#)

Terms and Conditions

1. Retirement at Host location

- a. An employee approaching the retirement age may be on an assignment to a host location. In such a case the employee must report to the home location for the full and final settlement before the date of retirement.
- b. The necessary legal formalities related to cancellation of visas and work permits need to be intimated to the immigration authorities of that country by the Host country HR.

2. Full and Final Settlement

- a. The full and final settlement of the dues of the employees will be done as applicable from home country and will be calculated based on the last drawn / maintained home country salary.
 - b. If the employee Separation is during the period when TCS revises and implements the annual compensation, the revised compensation will only be applicable to employees who are in service of TCS at that time. It will be also applicable to employees who are serving the notice period. However the revision will not be applicable to employees who have already left the service of TCS before the announcement of revised compensation.
3. The employee's release will be subject to the completion of the handover / takeover process (PP 1130) as provided in the Project Procedures Manual TCS-iQMS-052. This is to ensure business continuity and smooth transition post separation.

Separation upon Death

Separation upon death occurs in the unfortunate event of an employee's demise while in the services of the organisation.

Outline

Timeline of Applicability

This policy is applicable in the event of employee's demise while in the services of TCS.

Provisions (Entitlements / Outcome)

The provisions are detailed below:

1. Notice Period

Notice period is not applicable for Separation upon death.

2. Service Agreement

Any incomplete commitment towards Service Agreement will be completely waived in case of death during service.

3. International Assignment Agreement

Any incomplete commitment towards International Assignment Agreement will be completely waived in case of death during service.

4. Training Agreement

Any incomplete commitment towards Training Agreement will be completely waived in case of death during service.

5. Components paid and recovered during Full and Final settlement

a. All outstanding dues recoverable from the employee towards loans, advances or pending assets will be deducted from the employee's payables and for the remaining amount (which cannot be recovered due to unavailability of sufficient payable amount) TCS would request the beneficiary to settle the dues.

- b. No outstanding dues can be recovered from the employee's Gratuity or Provident Fund.
- c. Retirals will be settled with the beneficiary (as per the last updated nominee details OR as per the law).
- d. Gratuity will be paid to the beneficiary as per the TCS Gratuity Scheme.
- e. Earned vacation (if any) will be encashed.

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- f. Payables (if any) towards the salary components will be paid as a cheque to the beneficiary and not interfaced to the salary account.

Terms and Conditions

1. Demise at host location

- a. If necessary, TCS will bear the cost of and provide assistance in transporting the body of the deceased to the home location and in completing the necessary legal formalities for the same.

Note: For the employee's relatives (parents / in laws / siblings) other than immediate family, TCS may provide assistance in booking tickets and arranging visa to / from the host location but will not bear the cost of the same.

2. Full and Final Settlement

- a. The full and final settlement of the dues of the employee will be done as applicable from home country and will be calculated based on the last drawn / maintained home country salary.
 - b. In case at the time of full and final settlement, compensation revision has been announced retrospectively and the employee was alive as of the effective date of the revision, the Full and final settlement will be based on the revised compensation.
 - c. Any revision in compensation (retrospective or otherwise) after the completion of full and final settlement will not be applicable and hence cannot be claimed.
3. The deceased employee's Supervisor is responsible to ensure that the employee's activities are identified and handed over to another employee as provided in the Project Procedures Manual TCS-iQMS-052. This is to ensure business continuity and smooth transition post the death of the employee.

Redundancy

Redundancy is a type of Separation wherein an employee's current skill sets and competencies are no longer in use and the employee stops working for the organisation.

Why redundancy is required?

- To deal with circumstances when changes in the market, technology and / or organisation may necessitate the need for redeployment of workforce and reductions in Employee numbers, leading to redundancies.
- To ensure the economic viability of organisation's operations in an increasingly competitive business environment.

Outline

Timeline of Applicability

This policy is applicable when

1. An employee's skills become redundant and there is no possibility of redeployment or retraining.
2. A Business Unit announces its future plans outlining the need for downsizing.

Provisions (Entitlements / Outcome)

The provisions are detailed below:

1. To minimise the impact of redundancies, the following steps (not necessarily in order) will be adopted by TCS wherever possible, subject to the prevailing business circumstances. TCS will ensure that any potential or actual redundancy situation is managed in a fair, consistent and sympathetic manner in order to minimise hardship to those concerned.
2. Employee will be given as much notice as possible of impending redundancies, subject to operational requirements. Any selection criteria used to determine redundancies will be objective and fair and will take into account the future operational needs of TCS.
3. To the extent possible the effects of redundancy are minimized by considering other alternatives like training, redeployment, etc.
4. **Circumstances under which an employee may be considered redundant**
 - a. An employee's skills become redundant and there is no possibility of redeployment or retraining.
 - b. A Business Unit announces its future plans outlining the need for downsizing hence, rendering certain employees as redundant.
5. **Notice Period**

Notice period is the number of days of prior notice that an employer is required to provide to an employee commencing on the date of intimating the employee of Separation through a notice and ending on the Release Date.

- i An employee separating from the services of TCS on account of redundancy needs to be given a notice period by TCS, OR paid a liquidated damage towards the shortfall in the notice period which is calculated based on the last drawn / maintained basic pay component of the home location salary of the employee.
- ii Notice Period will be calculated as follows
 - For an employee who is considered redundant at the home location (and not under the International Assignment Agreement), the notice period will be 30 calendar days.
 - For an employee who is considered redundant at the home location and is currently under the International Assignment Agreement, the notice period will be 30 calendar days from date of notifying the employee that he or she is redundant OR 90 calendar days from the date of reporting at home location , whichever is later.
 - For an employee who is considered redundant in a location outside the home location, the notice period will be 90 calendar days.

6. Service Agreement

If a redundant employee is covered under the Service Agreement, all commitments towards the same will be waived off.

7. International Assignment Agreement

If a redundant employee is covered under the International Assignment Agreement, all commitments towards the same will be waived off.

8. Training Agreement

If a redundant employee is covered under the Training Agreement, all commitments towards the same will be waived off.

9. Components paid and recovered during Full and Final settlement

- a. The employee should settle all outstanding dues towards loans, advances or pending assets at least one week before the release date so that Full and Final settlement can be initiated.
- b. Incase the employee wishes to adjust any outstanding dues against Gratuity, he or she needs to sign a written undertaking for the same.
- c. No outstanding dues can be recovered from the employee's Provident Fund.
- d. Retirals may be withdrawn on a declaration by the employee (specific forms need to be filled by the employee for this purpose).
- e. Incase the employee wishes to transfer the retirals to another employer, he/she needs to complete the transfer formalities with the next employer.

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- f. Payables (if any) will be credited to the employee's salary account.
- g. Earned vacation (if any) will be encashed.

Terms and Conditions

1. Separation at Host location

- a. An employee may be on an assignment to a host location when considered redundant. In such a case the employee must report to the home location for the full and final settlement before Separation.
- b. In case of Separation at the host location, the necessary legal formalities related to cancellation of visas and work permits need to be intimated to the immigration authorities of that country by the Host country HR.

2. Notice Period and Agreements commitment

Any incomplete commitment towards Service Agreement, International Assignment Agreement and the Training Agreement will be completely waived in case of redundancy during service.

3. Full and Final Settlement

- a. The full and final settlement of the dues of the employees will be done as applicable from home country and will be calculated based on the last drawn / maintained home country salary.
- b. If the employee Separation is during the period when TCS revises and implements the annual compensation, the revised compensation will only be applicable to employees who are in service of TCS at that time. It will be also applicable to employees who are serving the notice period. However the revision will not be applicable to employees who have already left the service of TCS before the announcement of revised compensation.

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Summary of Separation Policy

Policy clause	Resignation	Breach Of Contract	Termination	Retirement	Death	Redundancy
Criteria / Circumstances for initiating the Separation	Employee voluntarily resigns	<ul style="list-style-type: none"> 1. Employee does not report to work for a prolonged period without any communication or leaves the organisation without fulfilling all the obligations required for Separation 2. TCS will initiate legal action against the employee in the following cases: <ul style="list-style-type: none"> - Employee breaches and outstanding dues are not settled - Employee breaches any Agreement commitment 	<ul style="list-style-type: none"> 1. Non-performance 2. Misconduct 3. Violation of security <p>TCS Reserves the right to initiate legal action incase of gross misconduct at the discretion of the Senior management</p>	Employee reaches retirement age	In the event of employee's demise	An employee's skills become redundant and there is no possibility of redeployment or retraining
Notice period	<ul style="list-style-type: none"> 1. Home location : 30 calendar days (employee to TCS) 2. For an employee resigning in a home location but currently under the International Assignment Agreement, the minimum notice period will be 30 calendar days from date of resignation or 90 calendar days from the date of reporting at home location, which ever is later. 3. Outside the home location : 90 calendar days (employee to TCS) <p>OR</p> <p>Liquidated damages in lieu of</p>	Same as Resignation	<ul style="list-style-type: none"> 1. No notice period to be served by the employee. 2. TCS to pay the employee in lieu of the notice period 3. TCS to pay notice pay when employee is terminated during the Probation/ Training period 4. TCS not to pay notice pay when employee terminated at the end of Probation/ 	Waived off	Waived off	<ul style="list-style-type: none"> 1. No notice period to be served by the employee. 2. TCS to pay the employee in lieu of the notice period 3. Notice Period will be calculated as follows <ul style="list-style-type: none"> - At home location (and not under the International Assignment Agreement), the notice period will be 30

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Policy clause	Resignation	Breach Of Contract	Termination	Retirement	Death	Redundancy
	the same based on last drawn / maintained basic pay component at home country		<p>Training period</p> <p>5. Notice Period will be calculated as follows</p> <ul style="list-style-type: none"> - At home location (and not under the International Assignment Agreement), the notice period will be 30 calendar days - At the home location and is currently under the International Assignment Agreement, the notice period will be 30 calendar days from date of notifying the employee that he/she is redundant OR 90 calendar days from the date of reporting at home location , which ever is later <p><i>Note: In some exception cases the Notice pay can be forfeited depending on the nature of misconduct and at the discretion of the management</i></p>			<p>calendar days</p> <ul style="list-style-type: none"> - At the home location and is currently under the International Assignment Agreement, the notice period will be 30 calendar days from date of notifying the employee that he/she is redundant OR 90 calendar days from the date of reporting at home location , which ever is later - At a location outside the home location , the notice period will be 90 calendar days
Service Agreement	Incase the employee resigns before completing his/her full commitment, as per the agreement., he or she has to pay the full damages without any pro-rata calculations	Same as Resignation	<p>Waived off</p> <p><i>Note: In an exception scenario the Branch / Regional HR Head may decide not to waive off the same.</i></p>	Not Applicable	Waived off	Waived off

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Policy clause	Resignation	Breach Of Contract	Termination	Retirement	Death	Redundancy
International Assignment Agreement	<p>As per the international assignment agreement the employee needs to serve TCS for a minimum of 3 months as follows:</p> <ol style="list-style-type: none"> 1. Resignation at host location: 3 months starting from the date of Resignation 2. Resignation home location: 3 months starting from the date of reporting to home location - If the above mentioned period is not served liquidated damages need to be paid, pro-rata, based on the period served. 	Same as Resignation	<p>Waived off</p> <p><i>Note: In an exception scenario the Branch / Regional HR Head may decide not to waive off the same.</i></p>	Waived off	Waived off	Waived off
Training Agreement	The terms and condition of the training agreement shall prevail	Same as Resignation	<p>Waived off</p> <p><i>Note: In an exception scenario the Branch / Regional HR Head may decide not to waive off the same.</i></p>	Waived off	Waived off	Waived off
Serving Notice period & Agreements concurrently	<ol style="list-style-type: none"> 1. All commitments may be served concurrently, but each individual period should be completed. 2. If release date is before completion of one or more commitment the employee will be liable to pay liquidated damages towards each incomplete commitment 	Same as Resignation	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Full and Final Settlement	<ol style="list-style-type: none"> 1. FFS will be based on last drawn / maintained home country salary 2. Incase the employee wishes to adjust any outstanding dues against Gratuity, he or she needs to sign a written undertaking for the same 3. No outstanding dues can be recovered from the employee's Provident Fund 4. Retirals may be withdrawn 	Same as Resignation	Same as Resignation	Same as Resignation	<p>Same as Resignation except for the following:</p> <ol style="list-style-type: none"> 1. All outstanding dues recoverable from the employee towards loans, etc. will be deducted from the employee's payables and for the remaining amount, TCS 	Same as Resignation

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Policy clause	Resignation	Breach Of Contract	Termination	Retirement	Death	Redundancy
	<p>based on a declaration by the employee / transferred to another employer</p> <p>5. Earned vacation if any, will be encashed.</p>				<p>would request the beneficiary to settle the dues</p> <p>2. Gratuity will be paid to the beneficiary as per the TCS Gratuity Scheme</p> <p>3. All payables will be paid to the Beneficiary</p>	
Separation benefits	None	None	None	<p>1. Paid Vacation</p> <p>2. Health Insurance</p>	None	None
Separation at host location	<p>1. Resignation may be submitted at host but employee must report to home location for FFS</p> <p>2. Notice period / agreement may be served partly at home and host location</p> <p>3. Special approval required for release at host location from the Supervisor and HR Head of host country</p>	<p>1. The Breach proceedings may be conducted either at the home or host location</p> <p>2. TCS will not bear the cost of travel back to home for employee & family</p>	<p>1. The termination proceedings will be conducted at the employee's home location.</p>	<p>1. Employee must report to the home location for the full and final settlement before the date of retirement</p> <p>2. Special approval required for release at host location from the Supervisor and HR Head of host country</p>	<p>1. If necessary, TCS will bear the cost of and provide assistance in transporting the body of the deceased</p>	<p>1. The Separation proceedings will be conducted at the employee's home location</p> <p>2. Special approval required for release at host location from the Supervisor and HR Head of host country</p>
Availing Leave during Separation proceedings	<p>1. Not entitled for any leave when serving notice period / Agreement commitments (except sick leave)</p> <p>2. Resignation when on long leave (>60 days): Employee should pay liquidated damages in lieu of notice period and Agreement commitments. Notice period</p>	Same as Resignation, but notice period cannot be waived off under any circumstances and needs to be paid	In case termination is initiated when an employee is on Long leave, the employee should join back and complete the termination proceedings	Not Applicable	Not Applicable	Not Applicable

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Policy clause	Resignation	Breach Of Contract	Termination	Retirement	Death	Redundancy
	<p>may be waived off on a case to case basis</p> <p>3. Resignation when on short leave (<=60 days): The employee is obligated to serve notice period and Agreement commitments</p> <p>4. Leave days cannot be adjusted against notice period and Agreement commitments</p>					
Compensation revision during Separation proceedings	<p>1. Applicable to employees who are in service of TCS at that time, including employees who are serving the notice period.</p> <p>2. The revision will not be applicable to employees who have already left the service of TCS before the announcement of revised compensation</p>	<p>1. Any upward revision in compensation will not be applicable to all such employees</p>	Same as Resignation	Same as Resignation	<p>1. Revised compensation applies incase employee was alive as of the effective date of the revision</p> <p>2. Any revision after the completion of full and final settlement will not be applicable</p>	Same as Resignation
Other provisions / terms and conditions	None	<p>1. Breach will be mentioned in the employee's Service certificate</p> <p>2. No release letter will be provided</p>	<p>1. Termination cases cannot be considered for reemployment in TCS at a later stage</p>	None	None	None