**FULL AND FINAL SETTLEMENT**

**1. Start – Employee Submits Resignation**

* The F&F process begins when an employee submits their resignation in the system (SuccessFactors or HRMS).
* This submission triggers the beginning of pre-exit activities.

**2. Decision: Voluntary or Involuntary Exit**

* The system checks whether the exit is **voluntary** (resigned by employee) or **involuntary** (termination).
* Both types of exits are handled differently but follow the same F&F framework afterward.

**3. Resignation Approved / Termination Initiated**

* For **voluntary exits**, the supervisor approves the resignation request.
* For **involuntary exits**, the manager or HR initiates the termination in the system.
* Once approved or initiated, the exit details are formally recorded.

**4. Trigger System Notifications (LWD - 4 to LWD)**

* Automated email notifications are sent to:
  + The employee, to complete final attendance, allowance claims, etc.
  + Supervisors, to ensure timely approvals.
  + Other departments, to start asset clearance.
* This happens 4 days before the Last Working Day (LWD) and continues until the LWD.

**5. Employee Submits Final Attendance, Allowances**

* The employee completes all final submissions:
  + Regularizing attendance
  + Submitting pending travel/shift allowance claims
  + Updating leave balances
* These inputs are needed for accurate final settlement calculation.

**6. Departmental Clearance Begins**

* Clearance requests are sent to relevant departments to check for any pending items.
* This ensures all company assets and access are accounted for before payout.

**7. Clearance Teams (IT, Admin, Security)**

* Each team performs clearance based on what was issued:
  + **IT**: Checks laptop, headphones, dongle returns
  + **Admin**: Checks other issued assets like chairs, SIM cards
  + **Security**: Collects ID cards, access badges

**8. Decision: Were Assets Returned by LWD + 3?**

* If the employee returns all issued assets within **3 days after LWD**, the system marks the status as **recovered**.
* If not, it enters a reminder and escalation flow.

**9. System Triggers 3 Email Reminders (LWD + 7, +14, +21)**

* The system sends structured reminders to the employee’s personal email:
  + First reminder: LWD + 7
  + Second: LWD + 14
  + Third: LWD + 21

**10. If Not Returned After 3rd Reminder → Legal Notice (LWD + 32)**

* If the asset is **still not returned after 3 reminders**, a **legal notice** is issued at **LWD + 32**.
* This marks the beginning of formal legal action.

**11. Add Depreciated Asset Value to Dues**

* If the asset is still missing, Finance calculates its **depreciated cost**.
* This cost is added to the employee's final dues, to be recovered from the settlement amount.

**12. F&F Team Consolidates Inputs (LWD + 6)**

* At **LWD + 6**, the F&F team gathers all necessary information:
  + Salary balances
  + Leave encashment
  + Bonuses/incentives
  + Advances or loans
  + Deductions (including asset dues)
* All inputs are merged into a consolidated file.

**13. Send to Payroll Vendor (LWD + 12)**

* The F&F file is securely sent to the **payroll vendor** for calculation.

**14. Vendor Sends Back Output (LWD + 14)**

* The vendor processes the inputs and returns an output file with:
  + Final payable amounts
  + Component-wise breakup (salary, leave, incentives, etc.)
* The F&F team validates this file against internal data.

**15. Asset Check – Were Assets Recovered?**

* The system checks whether assets were recovered.
* If not recovered yet, the system enters **auto-monitoring mode**.

**16. Auto-Monitoring Till LWD + 31**

* Between **LWD + 17 and LWD + 31**, the system checks daily for asset recovery.
* This gives the employee more time to return assets before legal action.

**17. Decision: Are F&F Data Validated and Assets Cleared?**

* If the file is validated and asset status is “Cleared”, the process moves to finance.
* If not, it waits for updates or clearance.

**18. Final File Sent to Finance (LWD + 16 to 18)**

* The validated F&F file is sent to Finance for final settlement calculation.

**19. Finance Calculates Net Settlement**

* Finance determines:
  + Total amount **payable** to employee
  + Total **recoverable** from employee (dues, loans, asset cost)
* Then calculates **net settlement**.

**20. Is Settlement Positive or Negative?**

* **Positive Settlement**: Company owes money to the employee → proceed with payout.
* **Negative Settlement**: Employee owes the company → recovery process is triggered.

**21. If Positive → Release Payment (LWD + 20)**

* Payment is made to the employee’s bank account.
* Email confirmation and **relieving letter** are sent.

**22. If Negative but Amount < ₹3000 → Auto Write-Off**

* If the employee owes less than ₹3000, the system **automatically writes it off**.
* The process then continues as a positive settlement.

**23. If Negative and Amount ≥ ₹3000 → Send Reminder Emails**

* First reminder sent immediately after calculation.
* If unpaid after 7 days, second reminder sent.

**24. Dues Paid?**

* If **paid**: System marks as “Settled” → payment closed → relieving letter issued.
* If **not paid**: Employee is marked as **“Delinquent”**, and relieving letter is held.

**✅ End of Process**

* The F&F case is either:
  + Closed after payout and letter release, or
  + Logged as a pending recovery with legal follow-up if dues are unpaid.

**🔚 Final Summary**

“The F&F process is now designed to be fast, automated, and legally compliant.  
Standard cases complete within **22 to 25 days**, while exceptional cases with missing assets are handled via **auto-monitoring and legal escalation up to LWD + 31 or +32**.”

