NOTE 21. EMPLOYEE SEPARATION ACTIONS AND EXIT AND DISPOSAL ACTIVITIES

We record costs associated with voluntary separations at the time of employee acceptance, unless the acceptance requires explicit approval by the Company. We record costs associated with involuntary separation programs when management has approved the plan for separation, the affected employees are identified, and it is unlikely that actions required to complete the separation plan will change significantly. Costs associated with benefits that are contingent on the employee continuing to provide service are accrued over the required service period.

Company Excluding Ford Credit

Employee separation actions and exit and disposal activities include employee separation costs, facility and other asset-related charges (e.g., impairment, accelerated depreciation), dealer and supplier payments, other statutory and contractual obligations, and other expenses, which are recorded in *Cost of sales* and *Selling, administrative, and other expenses*. Below are actions we have initiated, primarily related to the global redesign of our business:

- Ford Motor Company Brasil Ltda exited manufacturing operations in Brazil, which resulted in the sale of the São Bernardo do Campo plant facilities and machinery and equipment during 2020 as well as closure of facilities in Camaçari, Taubaté, and Troller in 2021
- Ford Motor Company Limited ceased production at the Bridgend plant in the United Kingdom and the facility was closed in September 2020
- Ford India Private Limited ("Ford India") ceased vehicle manufacturing in Sanand in fourth quarter 2021 and ceased manufacturing in Chennai in third quarter 2022. In the third quarter of 2022, Ford India entered into an agreement to sell the Sanand vehicle assembly and powertrain plants. See Note 22
- Ford Espana S.L. ceased production of the Mondeo at the Valencia plant in Spain in March 2022

In addition, we are continuing to reduce our global workforce and take other restructuring actions, including the separation of salaried workers in North America and India in third quarter 2022.

The following table summarizes the activities for the years ended December 31, which are recorded in *Other liabilities and deferred revenue* (in millions):

	2021	2022
Beginning balance	$ 1,732	$ 950
Changes in accruals (a)	1,150	557
Payments	(1,883)	(883)
Foreign currency translation	(49)	(36)
Ending balance	$ 950	$ 588

(a) Excludes pension costs of $ 156 million and $ 57 million in 2021 and 2022, respectively .

In 2020, we recorded $ 1.4 billion of non-cash charges related to the write-off of certain tax and other assets in South America, accelerated depreciation, and other items. In addition, we recognized a pre-tax net gain on sale of assets of $ 39 million. In 2021, we recorded $ 739 million for accelerated depreciation and other non-cash items. In 2022, we recorded $ 32 million for accelerated depreciation, impairment of our India held-for-sale assets, and other non-cash items, partially offset by tax credits and other benefits. In addition, we recognized a $ 38 million pre-tax net gain on sale of assets in 2022.

We recorded $ 2 billion and $ 608 million in 2021 and 2022, respectively, related to the actions above. Total charges in 2023 related to such actions, primarily attributable to employee separations and dealer and supplier settlements, are not expected to be significant. We continue to review our global businesses and may take additional restructuring actions where a path to sustained profitability is not feasible when considering the capital allocation required for those businesses.