

Employee Retirement Policy

V_1.0



Policy

	Prepared by	Reviewed by	Approved by
Name			
Date			
Version History			
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1 Objective

- **ABC Company** places significant emphasis on employee professional growth and wellbeing. We are committed to creating an environment that encourages employees to stay with the organization until their retirement and provide them the applicable benefits afterwards. This policy sets out processes to be followed by **ABC Company** and state the benefits that are available upon retirement to the employees who have reached retirement age.

2 Scope

- This policy applicable to all permanent employees of **ABC Company** Software Services India Pvt. Ltd for all work locations in India.

3 Policy Outline

- This Policy is effective when an employee reaches 60 Years, as per the date of birth in the company's records. However, if an employee is unable to work satisfactorily due to any form of physical or mental infirmity or have completed 25 years of service with the organization, an employee may raise a request for early retirement in writing to the management and the decision is at the discretion of the organization.
- This policy is designed to assist employees who are due or have taken the decision to retire from service, outlines the options available and support that can be expected from management.

4 Procedure

4.1 Notice of Retirement

- Six months before the retirement date, the employee will receive a formal notification with the date of retirement from HR. Retiring employees should confirm their acceptance of retirement for the dates specified by the HR after receiving the notification and in case of no response, retirement date will be deemed as acceptance.

4.2 Entitlement of Benefits upon Retirement

- All employees shall avail regular benefits of Provident Fund, Gratuity, leave encashment and other admissible benefits as per company policy, rules and regulations.

4.3 Full and Final Settlement

- The finance team will provide full and final settlement for the retired employee within 30 days of retirement.

4.4 Guidelines for Extended Working Request - Post Retirement Date

4.4.1 Request by retiring employee

- The retiring employee may express a willingness to pursue working with **ABC Company** after the default retirement date has passed. In such circumstances, the employee must submit a written request to HR within 30 days of receiving the retirement notification.
- The Request should include an expression of interest and the period for which the employee wishes to extend employment. The HR in conjunction with respective business leaders will consider the written request received from the employee.
- **ABC Company** will have sole discretion in deciding the extension of the services of the retiring employee depending on business opportunities. Final decision on the request for continued services after the retirement date will be communicated to the employee, by the HR, within 30 working days of the request made

4.4.2 Request by management

- In case, services of retiring employee are required by the business post retirement date, A formal request for an extension of service is proposed. The employee shall confirm in writing regarding his or her intention to continue services with **ABC Company**.

5 Responsibilities

5.1 Employee

- Employee shall ensure work transition plan is completed before retirement date.
- Employee shall submit the respective documents requested by finance team to ensure that the exit formalities are carried forward in a smooth manner.

5.2 HR

- The HR will send a retirement notice to the retiring employee in writing with the date of retirement, 6 months before the expected date of retirement.
- HR shall connect with the employee 3 months in advance of retirement date; provide appropriate support and information to the employee with regard to this policy.

5.2 Manager

- Manager shall ensure that the role transition plans are developed to facilitate the transition process and transfer of knowledge.

- Keep retiring employee apprised of the retirement date/ actionable as applicable and ensure compliance with the terms of this policy

5.3 Finance Team

- Finance team shall discuss all the benefits available to the employee and provide a statement for the same.
- Finance team shall assist the employee in submitting necessary documentation to avail benefits such as EPF and Gratuity.

6 Frequently Asked Questions

1. What is the age requirement for retirement?

A: The employee will retire from the services of the company on attaining the age of superannuation i.e. 60 Years, as per the date of birth recorded in the company's records.

2. When do an employee have to inform the Business, if the employee has an intent to retire early?

A: The employee is eligible to retire, if an employee has completed 25 years of service in a company or reached 60 years of Age or, an employee is unable to work due to mental or physical infirmity. In these cases, the employee must inform HR in writing, copying manager, 6 months prior to the date of retirement.

3. Does an employee have to raise request for retirement?

A: The employee shall raise the retirement request in portal. Please refer to the path below for path.

PATH: [REDACTED] Intranet Portal >> MY Site>> My Requisitions>>

Resignation/Relocation>>New Request>> self>> Type of Exit: Retirement

4. Can an Employee work in ABC Company post retirement?

A: The extension of the services of the employee, if any, will be with the sole discretion of management. However, if Management approves, the retiring employee will be engaged as a consultant under mutually agreed-upon terms.

5. What can be part of full and final settlement?

A: The F&F primarily consists of the number of days worked by the retiring employee for the month, leave encashment of available earned leaves, and gratuity, if applicable.

6. When a full and final settlement clearance can be expected?

A: Within 30 days of exit formality closure by all departments (the status from ICT, HR, facilities will be closed only after the submission of the assets), the retired employee will get the full and final Settlement. The payment will be credited to the employee's bank account, and the relieving/experience letter will be emailed to the employee's personal email address that HR Operations has in records

7. Will an employee be eligible for Health Insurance post retirement?

A: On the day of retirement, the employee will be withdrawn from all **ABC Company**'s policy.

8. Can an employee encash his unused sick/casual and earned leaves?

A: No, any unused CL/SL balance will be lapse at the end of the year and they cannot be encashed in full and final settlement. The unused earned leaves will be uncashed along with full and final settlement.

9. Can an employee opt the Voluntary retirement in **ABC Company?**

A: If an employee is unable to contribute due to any form of physical or mental infirmity or have completed 25 years of service with the organization, an employee may raise a request for early retirement in writing to the management and the decision of management with regard to this request shall be final.

10. What is the difference between resignation and retirement?

A: In the event of a resignation, the employee may choose when to leave an organization, providing the notice period as per organization's policy. Until they reach the age of 60, the resigned employee will be ineligible for any Company-provided or statutory compliance benefits for retirement. In the event of retirement, an employee may request voluntary retirement based on his service tenure and physical/mental health condition, or he may retire at his super annulation. He'd be qualified for retirement benefits under the law.

11. Whom shall a retiring employee reach for queries regarding NPS?

A: NPS is handled through third party organization "**Stock Holding Corporation**". For any queries related to NPS, you may reach finance team or POC from Stock Holding Corporation. Please refer to the mail ID or contact number provided below:

Prakash Myathari- Prakash.Myathari@Stockholding.com,

Contact Number: [REDACTED]

12. How can an employee withdraw the PF post retirement?

A: After the age of 58, you can withdraw full EPF amount and pension. The employee shall fill and submit Form 10D to claim full pension.

Steps to make a PF Withdrawal Claim and Track Status of Claim made

- Visit the EPFO member portal.
- Login using your UAN and password.
- Click on the 'Manage' tab and check your KYC details to ensure they are correct.
- Click on the 'Online service' tab to proceed with the withdrawal if all the KYC details are correct.
- Choose 'Claim' from the drop-down menu.
- Enter your Bank Account number's last four digits, on the claim screen that includes one's PF details and click on verify.
- Now proceed for online claim.
- On the "I want to apply for" option, choose the type of withdrawal you wish to make - final settlement, partial withdrawal, pension withdrawal, etc.
- Once you select the type of claim you wish to make, fill in the relevant form and authenticate using your Aadhaar card details. Enter the OTP sent to your registered mobile number.
- Once your claim for a withdrawal or final settlement has been made, you can check your claim status by clicking on the 'Track Claim Status' tab under online services

13. Does a retiring employee get pension post retirement?

A: Yes, 8.33 percent of the employer's 12 percent contribution will be directed to the Employee Pension Scheme. When the applicant reaches the age of 58, EPFO's Employee Pension Scheme starts in and pays out monthly pensions, provided the retiring employee had contributed to EPF for at least 10 years. Contribution among 12%

14. Whom shall a retiring employee reach for any query post relieving from the organization?

A: For any future communication, post relieving from the organization, employee shall reach out to below email addresses:

Activities	Contact
Full & Final Settlement queries Provident Fund (PF) Transfer/Withdrawal Gratuity Form 16 & Pay Slips	

Experience Letters or any other HR/Organization related information	
IT Operation Activities	