**GRATUITY MODULE LOGIC:**

**Gratuity** is payable to Workmen if he/she rendered continuous service of 5 Years or more.

The above period will not be applicable if Workmen is separated from the company due to the reason of Death and permanent disablement..

**Completed Year:**

A workmen must work for 240 days or more in a particular Calendar Year.

Days to Consider for calculating 240 Days in a Calendar Year:

Actual Working Days + STL Availed Days + Sick Leave Days + Authorised Leave Days + Strike Days.

Note: Authorised Leave in a Calendar Year must not exceed 45 days.

Gratuity is payable for 15 days ( 8 hours per day ) of his/her Earnings for every completed year of service.

We are attaching herewith four nos. examples citing NO. of Years for which Gratuity entitled marked as “ GRATUITY ENTITLEMENT PERIOD SHEET” for better understanding of the logic.

**Calculation of Earnings:**

Components to consider: Basic + FE + DA + ADHOC + TSA i.e, components to consider for PF deduction and corresponding Normal Attendance hours i.e. Actual Working Hours + NSA PF link hours.

Time Rated Workmen: Rate to arrive at only from latest BM earning available in system from the date of separation.

Piece rated Workmen: Rate to arrive at by weighted average of latest BM earning available in system from the date of separation and earning available in immediately preceding 6 BM’s.

In case, still rate is not available by applying above method, then only the latest BM earning available.

We are attaching herewith the three nos. of examples covering for both the above types marked as “ GRATUITY CALCULATION SHEET “ for better understanding of the logic.

REPORTS/DOCUMENTS REQUIRED:

1. GRATUITY ENTITLEMENT PERIOD SHEET
2. GRATUITY CALCULATION SHEET
3. GRATUITY PAYMENT ADVICE ( Attached 3 nos. corresponding to 3 nos. calculation sheet.
4. Any other, as you suggest.

Note: Please keep the provision to enter Nominee name in Gratuity Payment advice.

We will welcome your further suggestions on this subject.