



# HEXAGON

## **Retirement Policy**

Retirement Guidelines and Processes

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# 1. Introduction

The purpose of this policy is to set out the retirement guidelines and procedure followed by Hexagon Capability Center India Pvt Ltd (HCCI).

## 2. Scope & Eligibility

This policy is applicable to all Full-Time employees of the company.

## 3. Definitions

For purposes of this policy, the following terms have the meanings indicated below:

- Retirement age - The age of retirement is defined as the completion of 65 years
- Retiring employee –A full time employee reaching retirement age
- Date of retirement: The actual date of relieving shall be last working day of the calendar month in which the retiring employee's 65th birthday falls. (As defined by proof of age/birth document submitted at the time of joining)

## 4. Process of Retirement

### 4.1 Phase 1: Intimation of Retirement to the Employee and Business (all activities to be initiated 6 months in advance to retirement date)

- Total Rewards team to inform HR Business Partner (HRBP)
- HRBP to notify the retiring employee, reporting manager, Department Head and CEC Member
- Manager to drive the transition plan, in partnership with Department Head and keep HRBP informed

### 4.2 Phase 2: Initiation of Exit Formalities (all activities to be initiated 3 months in advance of retirement date)

- HRBP to inform Reporting Manager about exit-related formalities
- HRBP to raise exit on Hex Connect
- HRBP to conduct a 1:1 meeting with the retiring employee to explain the exit formalities and other processes

### 4.3 Phase 3: Retirement Closure

- HRBP to connect with the retiring employee on the retirement date for final closure and handing over the Experience and Service Letter
- Final settlement and retirement benefits will be payable as per applicable company policies at the time of retirement

## 5. Benefits Entitlement upon Retirement

All retiring employees will receive regular benefits of Provident Fund, Gratuity, Leave Encashment, and other admissible benefits as per company policy.

### 5.1 Leave Encashment

Leave encashment will be calculated and added to Full and Final Settlement by Total Rewards Team. Leave encashment logic is as follows:

- For all employees who joined the organization on or before before December 31, 2018, encashment will be done on the formula - Basic Salary/30 x 2.33 x Number of Leaves
- For all employees joined the organization on or after January 1, 2019, encashment will be done on the formula - Basic Salary/30 x Number of Leaves

Leave encashment is taxable, based on prevailing Income Tax laws at the time of pay-out.

### 5.2 Gratuity

It shall be paid at the time of leaving HCCI if the employee has completed one year of continued service. Gratuity will be calculated based on below stated formula and added to Full and Final Settlement by Total Rewards Team.

Formula: Basic Pay  $\times \frac{15}{26} \times$  Number of years of service in HCCI

For payment calculation purposes, the number of years of service is calculated by rounding off the overall years - half or more than half is rounded to the number above, and less than half is rounded to the number below.

Gratuity payment is taxable, based on prevailing Income Tax laws at the time of pay-out.

Note: If an employee expires before attaining the age of 60 years, the gratuity is calculated and paid to the legal heir, assuming tenure till the age of 60 years of the deceased employee. If an employee expires after 60 years, the gratuity will be paid only for his tenure. The remaining service gratuity pay-out for the reminder of tenure, till 65 years of age is paid out as a fixed sum of Rs.5000.

### 5.3 Employee Provident Fund (EPF), Employee Pension Scheme (EPS)& National Pension Scheme (NPS)

To start EPS Pension, the employee should self-initiate the process on UAN Member Portal on attaining the age of 58 years or the employee may defer it to 60 years.

For EPF withdrawal, the retiring employee should self-initiate the process on UAN Member Portal, post-retirement from the organization.

Employees who have subscribed for NPS should self-initiate withdrawal or purchase of an annuity plan on the CRA site upon attaining the age of 60 years.

Total Rewards Team shall support employees in these processes.

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## 5.4 Continuing Medical Insurance

This is an exclusive benefit for employees who on attaining retirement age, do not get employed full time or part time post retirement from HCCI. To be eligible, employee must have served at least 5 years of full-time work with Company immediately preceding the retirement. Such retiring employees may apply for extending medical insurance coverage to the maximum of same base limit which was applicable to them at the time of retirement. This is on self-paid basis, post-retirement at terms negotiated by HCCI with Insurance company. Insurance premium, as decided, shall be paid to HCCI, by employee.

The medical insurance coverage will only for the base policy and will cover only the retiring employee and his/her spouse and no other dependents.

## 6. Policy Administration & Exceptions

The Human Resources Department shall be responsible and final arbiter for administering this policy.

## 7. Revision History

Rev.	Rev. Date	Reason for Revision	Revised By	Approved By
1.0	17- April-2023	New policy formation, with revision to retirement age from 60 years to 65 years, effective 1 <sup>st</sup> May 2023	Anant Gupta	Nousheen Khan