

PROCEDURE FOR FINAL SETTLEMENT OF DUES OF RETIRING EMPLOYEES

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ANNEXURE I: INTER-OFFICE MEMO - NO DEMAND CERTIFICATE

PROCEDURE FOR FINAL SETTLEMENT OF DUES OF RETIRING EMPLOYEES*

1.0 OBJECTIVE:

1.1 To process, settle and pay the dues to a retiring employee on the day of his/her superannuation.

2.0 SCOPE:

2.1 This procedure shall cover all regular employees of the Company.

3.0 PROCEDURE:

3.1 Systems Department shall furnish to the Personnel Department three months in advance, in the first week of every month, a list of employees who are due to retire (i.e. three months before the actual date of retirement).

3.2 The Personnel Department shall, on receipt of the list of retiring employees from Systems Department, immediately initiate action for final settlement of the dues of the retiring employees by:

- a. Calling for 'No Demand Certificate' from concerned department by way of Circular as per proforma at Annexure-I;
- b. Obtaining clearance from the Vigilance Department;
- c. Issuing the necessary Office Order related to the superannuated employee;
- d. Collecting application from the retiring employee for the settlement of dues i.e.:
 - i. Gratuity
 - ii. Provident Fund
 - iii. Family Pension
 - iv. Leave Encashment
 - v. TA for the place of settlement
 - vi. Any other dues.

3.2.1 Reference to Vigilance Department for clearance shall be particularly with regard to the following aspects:

- a. Whether any disciplinary action/proceedings are pending or are contemplated against the employee.
- b. Whether as a result of departmental proceedings/criminal case instituted against the retiring employee, any deductions or with-holding of any of his dues is called for; and
- c. Whether the retiring employee's mis-conduct has caused any loss to the company.

3.3 The Department concerned shall furnish the details of the Demand/No Demand Certificate within 30 days from the date of receipt of the Circular. Failure to respond within the prescribed time limit shall be construed that there is nothing outstanding against the retiring employee and the Personnel Department shall proceed to settle the final accounts of the retiring employee. If, at a later date, it is found that there are dues recoverable from the ex-employee, it shall be the responsibility of the concerned department to recover the dues from the ex-employee or to get the approval of Competent Authority for write-off of such dues, if not recovered.

* *Approved by Chairman-cum-Managing Director on 11.12.87. Introduced vide Personnel Policy Circular No.20/87 dated 15.12.87.*

- 3.4 An employee who happens to proceed on tour after the initiation of final settlement proceedings shall normally not be allowed to draw any advance at the touring station. If, however, in exigencies of circumstances, advance if allowed, shall be promptly intimated to the Pay Section of Finance & Accounts Department for further necessary action.
- 3.5 The Company shall, however, retain an amount of Rs. 1,000/- for any dues likely to arise on account of utilization of the facilities like Telephone/Telex, Company's vehicles, guest houses etc., for private purposes during the period intervening the date of No Demand Certificate and the date of release. This amount shall be released after it is ascertained that there are no dues pending against the ex-employee, whatsoever, in any case not later than 30 days from the date of release.
- 3.6 Where a retiring employee is in occupation of Company's house or Company's leased accommodation, the Estate Department shall issue 'No Demand Certificate' immediately after the vacation of the Company's accommodation by the employee.
- 3.7 If, on intimation received from the Vigilance Department, that the retiring employee is involved in a vigilance case/criminal proceedings, the matter shall be put-up to the concerned Head of the Department. The Head of the Department in consultation with the Vigilance Department shall examine and recommend with-holding or otherwise of the final dues.

4.0 CALCULATION OF FINAL DUES:

- 4.1 Within 7 days of obtaining clearance from the Vigilance Department and Demand/No Demand Certificate from the Departments concerned, Personnel Department shall forward the applications for settlement of the final dues referred to in para 3.2 (c) duly verified along with a consolidated Demand/No Demand Certificate to the Pay & PF section of Finance Department for settlement.
- 4.2 The Finance Department shall settle the accounts, and prepare the cheques for handing -over the same to the retiring employee on the date of superannuation.

5.0 METHOD OF PAYMENT:

- 5.1 The Final dues shall be released after retaining Rs. 1,000/- under Clause 3.5 on the following lines:
- a. Where an employee is NOT in occupation of a Company Quarter/Company leased accommodation and clearance has been obtained from Vigilance, full payment shall be made on the day of superannuation.
 - b. Where an employee is in occupation of a Company quarter/Company leased accommodation and clearance from Vigilance is obtained, only the Provident Fund due to the employee shall be released on the day of superannuation. Estate department will issue Demand/No Demand Certificate within 6 (Six) days from the date of vacation of the house. All other dues shall be paid within 10 days from the date of receipt of Demand/No Demand Certificate from Estate Department, after the employee vacates such Company accommodation

NOTE*:

- a* The under mentioned amounts indicated against each type of quarter would be retained for recover of Estate Dues from the amount payable at the time of final settlement in cases of retirement / death. On vacation of quarters, after adjusting the amount payable towards estate dues the remaining amount will be released to the employee / bereaved family.

S.No	Type of Quarter	Amount to be retained towards Estate Dues
01	A or B	Rs. 15,000/-
02	C	Rs. 30,000/-
03	C – D	Rs. 40,000/-
04	D	Rs. 45,000/-
05	GM / ED Bunglow	Rs. 50,000/-

- b. In case the amount under TA and Leave encashment works out to be less than the amount mentioned against each type of quarter at Column-3, the quarter can be allowed to be retained only upto 2 months from the date of separation as provided under the existing rules. In deserving cases the quarter can be allowed to be retained beyond 2 months and to a maximum of six months if the differential of security amount, i.e., as indicated at Column-3 above against each quarter, the amount under the head "TA and Leave encashment" is deposited with the Company to be refunded on vacation of the quarter.
- c. The amount of PF and Gratuity will be settled within the prescribed time limit under the relevant Act.
- d. In case of resignations/ dismissal/ removal, the final settlement of dues will be made only after vacation of company quarter, except PF and Gratuity.
- e. In cases where final settlement of dues is withheld due to non receipt of Vigilance clearance, the amount of PF and Gratuity will be released and all other dues will be paid only after their receipt of Vigilance clearance.

6.0 PAYMENT OF DUES:

6.1 Finance Department/PF Trust shall arrange separate crossed cheques for PF amount, Gratuity, Leave Encashment, and other dues, if any, drawn in favour of the employee and hand it over to the superannuating person on the date of superannuation.

7.0 The above procedure shall come into force with effect from 1st January 1988. The Management reserves the right to amend, modify or withdraw these rules and procedure at any time without any notice.

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* Incorporated vide PP Circular No. 17/2008 dated 27.12.2008
❖ Clarified vide Personnel Policy Circular No.2/97 dated 10.2.97.

**VISAKHAPATNAM STEEL PLANT
VISAKHAPATNAM - 530 031
INTER-OFFICE MEMO**

From:
Personnel Executive of
Executive Esst./
Non-executive Esst.

To:
Concerned Executives in the
following Departments
1. Concerned HoD
2. Stores
3. Medical
4. Admn.
5. Town Admn.
6. Fin-Pay/PF/General A/cs.
7. Corporate Communications
8. Safety
9. Library
10CISF
11Outstation Offices
12VSPEC Thrift & Credit Society Ltd.
13VSPEC Co-operative Stores Ltd.

No.

Date

Sub : FINAL SETTLEMENT OF DUES ON SUPERANNUATION - NO DEMAND
CERTIFICATE.

The following employee(s) of VSP is/are due for superannuation on the dates mentioned against his/their names:

Sl.No.	Name & Emp.No.	Design. & Deptt.	Date of Superannuation
1.			
2.			
3.			

You are requested to intimate any dues/articles outstanding against the above employees, separately in each case, immediately to the undersigned. If there are no dues a "NIL" Certificate may please be issued.

In case no communication is received within a period of 30 days from the date of issue, it will be presumed that no dues/articles are outstanding against the employees concerned from your department and further action will be taken for the final settlement of their dues. If it is observed later that there are dues from the employee it will be the responsibility of the department concerned to realize or obtain the write-off sanction for the same.

Concerned Personnel Executive of
Executive Esst./Non-Executive Esst.