



SysMates Technologies

Strategic Solutions for Organizations

HRMates ME Gratuity, Vacation, Air Tickets and Final Settlement Policy

High level User Manual

Version 2.1

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Objective

To define and implement the calculation of employee gratuity and final settlement as per Labour Law within the HRMS. This includes handling various separation types, notice period scenarios, leave salary, air ticket entitlement, and pending payments.

Definitions

- Gratuity (End of Service Benefit): A lump sum amount payable to an employee upon resignation or termination, based on their basic salary and duration of service.
- Service Duration: The total number of completed years and months from the employee's hire date to the last working day.
- Notice Period: The duration an employee or employer is required to give prior to resignation or termination.
- Separation Types: Resignation, Termination, Absconding, etc.
- Leave Salary: Payment for unused accrued annual leave.
- Vacation Entitlement and Advance
- Air Ticket Entitlement: Air Tickets for Vacations, Final air ticket or repatriation allowance if applicable.
- Pending Salary: Salary for days worked in the last month.
- Deductions: Any outstanding loans or penalties applicable at exit.

Contract Entry

Entry of Air Ticket Entitlement, Nearest International Airport and other relevant data

Vacation Leave

- Apply for Vacation Leave as per entitlement with Approval Process
- Apply for Salary Advance as per policy with approval process. Advance limit calculated automatically and adjusted in next payroll
- Apply for Air Ticket as per policy with approval process from Expense Module, Ticket can be issued by company or reimbursed.

Gratuity Eligibility Criteria

Service Duration	Gratuity Eligibility
< 1 year	Not eligible
≥ 1 year	Eligible

Gratuity Calculation Rules

• Per Day Rate = Basic Salary / 30 days

• Accrual Rate:

Years of Service	Accrual Days/Year
Up to 5 years	21 days
> 5 years	21 days

(this can change according to organizational policy)

• Calculation Formula:

Total Gratuity = Accrued Days × Per Day Rate

Accrued Days = Years of Service × Accrual Days per Year

Example Calculations for Gratuity

Example 1: Resignation After 3 Years

- Basic Salary: QAR 3,000
- Service Duration: 3 years
- Gratuity Days: $3 \times 21 = 63$
- Per Day Rate: $3,000 / 30 = \text{QAR } 100$
- Total Gratuity: $63 \times 100 = \text{QAR } 6,300$

Example 2: Termination After 6 Years

- Basic Salary: QAR 4,000
- Service Duration: 6 years
- Gratuity Days: $6 \times 21 = 126$
- Per Day Rate: $4,000 / 30 = \text{QAR } 133.33$
- Total Gratuity: $126 \times 133.33 = \text{QAR } 16,800$

Example 3: Resignation Before 1 Year

- Service Duration: 10 months
- Gratuity: Not eligible (QAR 0)

Separation Types and Gratuity Pay %

Separation Type	Service < 1 Year	Service ≥ 1 Year
Resignation	0%	100%
Termination	0%	100%

Absconding	0%	0%
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Notice Period Policy

Service Duration	Resignation	Termination	Absconding
< 5 years	1 month	1 month	0
≥ 5 years	2 months	2 months	0

- Notice Pay Formula (if not served):

Notice Pay = (Gross Salary / 30) × Unserved Days

Notice Pay Scenarios (Examples)

Scenario 1: Full Notice Served

- No deduction or additional payment
- Final Settlement = Gratuity Only

Scenario 2: Employee Did NOT Serve Notice

- Gross Salary: QAR 4,500
- Unserved Days: 30
- Notice Deduction = $(4,500 / 30) \times 30 = \text{QAR } 4,500$

Scenario 3: Employer Terminates Without Asking Notice

- Employer pays in lieu of notice
- Notice Pay = $(4,500 / 30) \times 30 = \text{QAR } 4,500$

Scenario 4: Mutual Waiver

- No deduction or compensation

Scenario 5: Partial Notice Served

- Only 15 days served, 15 days unserved
- Deduction = $(4,500 / 30) \times 15 = \text{QAR } 2,250$

Final Settlement Components

Final Settlement = Gratuity ± Notice Pay ± Leave Salary + Pending Salary – Deductions + Air Ticket (if applicable)

- Leave Salary = $(\text{Annual Leave Days Accrued} - \text{Availed}) \times (\text{Basic Salary} / 30)$
- Pending Salary = $(\text{Gross Salary} / 30) \times \text{Days Worked in Final Month}$
- Deductions = Outstanding loans, penalties, or other recoverable
- Air Ticket = Last entitlement or repatriation allowance as per contract

Additional Implementation Considerations for HRMS

- ✓ Customizable policies per company rules

- ✓ Calculation audit log (who changed what)
- ✓ Final settlement payslip generation
- ✓ Liability Reports for Vacations, Leave Salary, Gratuity