

Group Gratuity Scheme — 21-Day Go-Live Timeline

Designed for CFOs & HR Heads of 500+ employee tech companies in India

Day 1–3: Kickoff & Data Prep

- Confirm operating model: Trust + Insurer (traditional/ULIP) and optional life cover.
- Assemble employee dataset (EmpID, DOJ, DOB, Gender, Basic+DA, current location/state).
- Collect prior actuarial report (if any), current provisions, and payout history last 3 years.
- Draft/validate board note and trustee nominations.

Day 4–7: Trust & Compliance Foundation

- Finalize irrevocable gratuity trust deed (legal review).
- Board resolution to set up/activate trust and authorize signatories.
- Apply for Income Tax 'Approved Gratuity Fund' recognition (if new trust).
- Create trustee operating procedures (bank mandate, investment policy outline).

Day 8–12: Insurer Selection & Actuarial

- Issue RFP to 3–5 leading insurers via broker; request charges, interest crediting history, servicing SLAs.
- Shortlist based on weighted evaluation; negotiate FMC/mortality/waivers.
- Parallel: Actuary runs funding valuation (salary growth, discount rate, attrition) and recommends initial/annual contributions.
- Decide on life cover parameters (sum at risk for future service gratuity).

Day 13–16: Onboarding & Fund Movement

- Execute Master Policy with chosen insurer (trust as policyholder).
- Open trust bank account; move initial contribution (and any transfer from previous insurer/trust).
- Configure HRMS data feed (monthly delta: joins/exits/salary changes).
- Draft employee communication and FAQs.

Day 17–19: Controls & Dry Run

- Reconcile opening corpus, contribution, and insurer confirmation statement.
- Set up dashboards: Funding Ratio, Contribution vs Payouts, Tax Shield YTD.
- Run test exit and death claim workflows end-to-end (TAT rehearsal).

Day 20–21: Go-Live & Handover

- Publish policy and calculator on intranet.
- Issue all-hands mailers; open "Ask an Actuary" office hours.
- Finalize quarterly governance calendar and audit pack checklist.

Contacts & Ownership

Sponsor: CFO • Process Owner: HR Head • Trustees: CFO Nominee, HR Nominee, Employee Rep • Broker: Ethika • Actuary: Appointed Actuary • Insurer: Master Policy Owner (Trust)

Group Gratuity — Quarterly Governance Checklist

Use this as your board/audit-ready control sheet.

A. Funding & Valuation

- Review Funding Ratio (Plan Assets / Actuarial Liability). Target: $\geq 95\%$; if $< 85\%$, trigger recovery plan.
- Variance analysis vs prior quarter: contributions, payouts, investment returns.
- Actuarial assumptions review: salary escalation, discount rate, attrition; document changes.

B. Compliance & Documentation

- Trust deed, IT approval letter, policy bond & renewal receipt on file and current.
- Karnataka/AP/Telangana compulsory insurance compliance (if applicable) — registration/renewal filings completed.
- Board resolutions & trustee meeting minutes archived; bank mandates validated.

C. Claims & Service Levels

- Turnaround Time (TAT): Exits ≤ 7 business days; Death claims ≤ 10 business days.
- Exception log: disputes, forfeitures (if any), compliance escalations — with resolution notes.
- Random sample QA: 5 settled cases cross-checked to policy and calculator outputs.

D. Investments & Charges

- Traditional plan: interest credited vs peer benchmarks; ULIP: NAV and asset allocation vs policy IPS.
- Charges review: FMC, mortality, admin; confirm any waivers/promos still applied.
- Decision on fund switches/rebalancing (ULIP) or policy change proposals (traditional).

E. Controls & Audit

- 3-way reconciliation: HRMS data \leftrightarrow insurer statement \leftrightarrow trust bank ledger.
- User access review: HRMS exports, insurer portal, bank tokens — least-privilege enforced.
- Audit pack compiled: statements, actuarial cert, reconciliations, approval notes.

F. Employee Communication & Experience

- Update intranet FAQs; publish calculator updates and policy clarifications.
- Run awareness mailer or townhall; track queries closure within SLA.
- Report sentiment and any themes to HR Leadership Council.

Sign-offs

Trustees, CFO, HR Head, Internal Audit/Compliance — sign and date each quarter.