

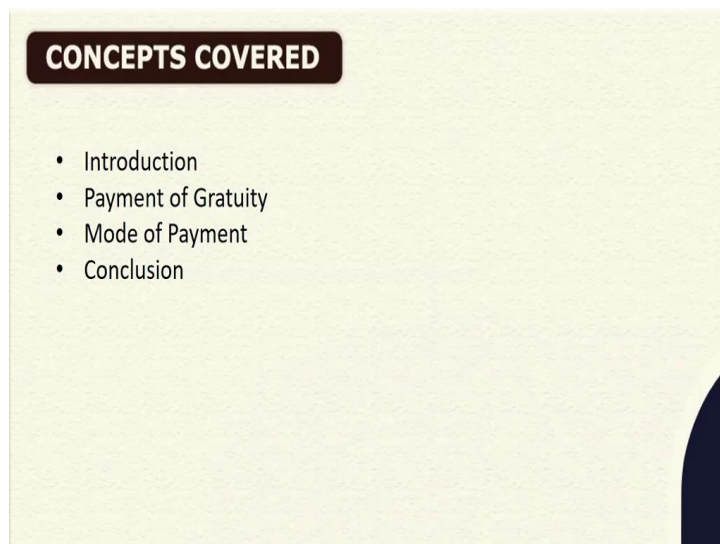
New Labour Codes of India
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Lecture 39
Gratuity

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Dear students, in this class we are going to discuss about gratuity, and what is the concept of gratuity, who is eligible to get gratuity, what is the calculation of gratuity, and some of the judgments like whether the teachers are eligible to get the gratuity or not. So, this is the discussion in this particular class.

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KEYWORDS

- Gratuity
- Continuous service
- Amount
- Nomination
- Compulsory Insurance
- Competent Authority

□ Introduction

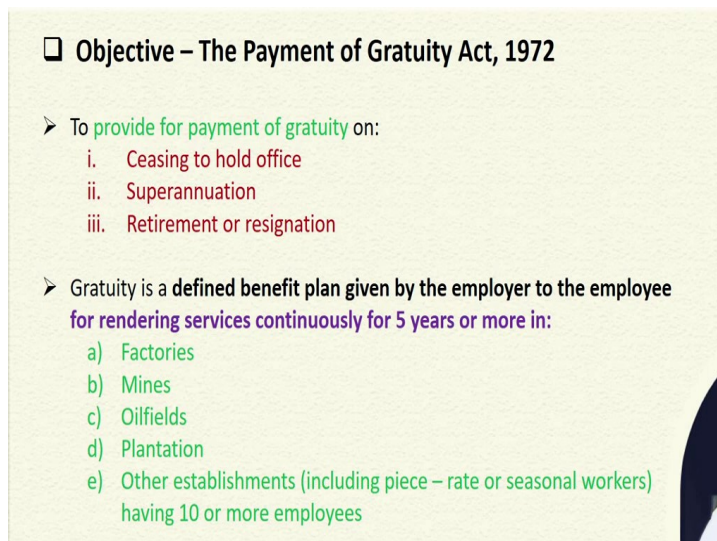
- Gratuity is a lump sum amount paid by the employer to the employee as a **token of appreciation** for the services they have provided to the company.
- Gratuity is a **monetary benefit given by the employer to his employee at the time of retirement.**
- It is a defined benefit plan where **no contributions** are made by the employee.
- The law applies to railways, ports, factories, oilfields, plantations, mines, and shops.

- **The Payment of Gratuity Act, 1972- Repealed**

So, the concept of gratuity is not very new. It was there during the British time also. So, we talked about after the First World War, The workers were given bonus and the same way the gratuity has been given at the time of superannuation, as gratitude, as a lump sum payment by the employer to the employee for his token of appreciation for his good services rendered to the employer. So, it is a monetary benefit definitely, it is the retirement benefit to the employee from the employer without any contributions. Contributions in the sense that there is no need for anything contributing to this particular gratuity fund.

So, it is applicable now to railways, ports, factories, oil fields, plantations, mines, and shops specifically. And this gratuity is considered as a thanksgiving to the workers for the long-term services rendered by them to the employer. In 1972, the Payment of Gratuity Act has been made a statutory right from passing this particular legislation in 1972. And much before some of the state governments have passed appropriate legislation to provide graduates like the state of Kerala and certain specific sectors like a journalist. So, special legislation has been passed.

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❑ **Objective – The Payment of Gratuity Act, 1972**

- To provide for payment of gratuity on:
 - i. Ceasing to hold office
 - ii. Superannuation
 - iii. Retirement or resignation
- Gratuity is a **defined benefit plan given by the employer to the employee for rendering services continuously for 5 years or more in:**
 - a) Factories
 - b) Mines
 - c) Oilfields
 - d) Plantation
 - e) Other establishments (including piece – rate or seasonal workers) having 10 or more employees

❏ Litigation

- After the **amendment of the Payment of Bonus Act, in 1995** a **number of establishments challenged the retrospective effect of the amendment of the Act by filing writ petitions in various High Courts.**
- The Government decided to contest all such cases and in two cases filed in the High Court of Jaipur.
- **The amendments were upheld by the court.**

By passing this Payment of Gratuity Act in 1972, it is become mandatory to provide a gratuity for the class of employees, those who are eligible to gratuity. So, when the payment of the gratuity is to be made? So, first of all, ceasing to hold the office. So, retirement, superannuation, ceasing to hold office, and also resignation. So, this is basically applicable to people who are employees, those who are rendered the services for a continuous period of 5 years in the establishments from time to time the central government has included various establishments. And in certain cases, more than 10 employees are employed.

In certain cases, seasonal employees are included. In certain cases, the piece rate employees are also included. So, the 5-year service, long-term service is mandatory under the old Act. So, we will see what is the changes in the new code. So, hereafter 1995, the retrospective effects have been challenged by many employees. The constitutional validity has been challenged. And but in all cases, the courts have confirmed the constitutional validity of the amendment. Because the main reason was that the court looked at it as social security legislation. Because at the time of retirement, the employees get a lump sum payment or a handsome amount, which will be useful for them for different purposes.

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❑ Payment of Gratuity

Section	description	Clarifications
s.1	Applicability of the Act	Factory, mine, oil field, plantation, port, railway company, shop, establishment or educational institutions employing 10 or more employees.
s. 2(e)	Employee	All employees irrespective of status or salary
	Entitlement	On completion of five years service except in case of death or disablement
	Qualifying Period	On rendering of 5 years' service, either termination, resignation or retirement.
S.2(h)	Forms & Notices	Maintenance of register in relation to

S.2(s)	Wages for calculation	@15 days wages for every completed year as if the month comprises of 26 days at the last drawn wages.
Rule 3(1)	Notice of opening, change or closure of establishment	In Form A within 30 days of the Act becoming applicable.
S.4 Rules 5&6	Calculation of a) Piece-rated employee	@15 days wages for every completed year as if the month comprises of 26 days at the last drawn wages.
	b) Seasonal employee	@ 7 day's wages for every completed year of service.

S.4(3)	Forfeiture of Gratuity	On termination of an employee for moral turpitude and riotous or disorderly behavior wholly or partially for willfully causing loss, destruction of property, etc.
Rule 4	Display of Notice	Conspicuous place at the main entrance in English language or the language understood by majority of employees.
S.6, Rule 6	Nomination	To be obtained by employer after expiry of one year's service, in Form

And here we can see some of the provisions of this particular Act. So, it clearly says that from time to time the Central Government or the State Governments made this Act applicable to different areas including plantations. In certain cases, to educational institutions. So, we will see the case law with regard to the applicability to teachers. So, and also the provision clearly says it is applicable to all employees irrespective of their status or salary. So, there is no salary ceiling for getting gratuity. So, the only condition which is put in the old Act is for the completion of 5 years of service except in the case of death or disablement in the service. So, on a rendering service for a 5-year period, either on termination, resignation, retirement or superannuation, they are eligible to get the gratuity.

And we can see that, in the piece rate employees, the calculation of piece rate employees how calculations are to be made. So, the calculation of the wage for the entire gratuity calculation is 15 days' wages, for every completed year of service, and the monthly salary will be calculated for 26 days. So, this is the last drawn salary at the time of calculation of gratuity. So, it means that if even though somebody joined, 5 years back the salary calculation will be, the calculation of the wage will be at the time of calculation of the gratuity. So, 26 days, 15 days wages for every completed year of service that is the calculation. In the case of piece rate employees also there is the calculation is made. Seasonal employees, only 7 days' wages for every completed year of service.

And the total ceiling given at that point of time was 3,50,000 rupees. And now, the ceiling has gone up to a huge amount. So, initially, it was to the extent of 3,50,000 rupees. And also, as in certain cases, the gratuity can be forfeited, for certain conduct of the employee. So, if an employee is terminated on the grounds of moral turpitude, riotous, or other disorderly behaviour. So, which is causing loss to the property of the employer. Then, the employer can forfeit the gratuity. So, especially when somebody is terminated because on the grounds of moral turpitude, he is not eligible to get gratuity. And in case of every employee has to nominate in the case of expiry of 1 year of service, and when in case of death who is going to be getting this particular benefit.

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S.8, Rule 8	Recovery of Gratuity	To apply within 30 days in Form I when not paid within 30 days.
s.9	Penalties	Imprisonment for 6 months or fine up to Rs. 10000 for avoiding to make payment by making false statement or representation imprisonment not less than 3 months and up to one year with fine on default in complying with the provisions of Act or Rules.
Rule 9	Mode of Payment of Gratuity	Cash, or if so desired, by Bank Draft or Cheque with an intimation to the Controlling authority of

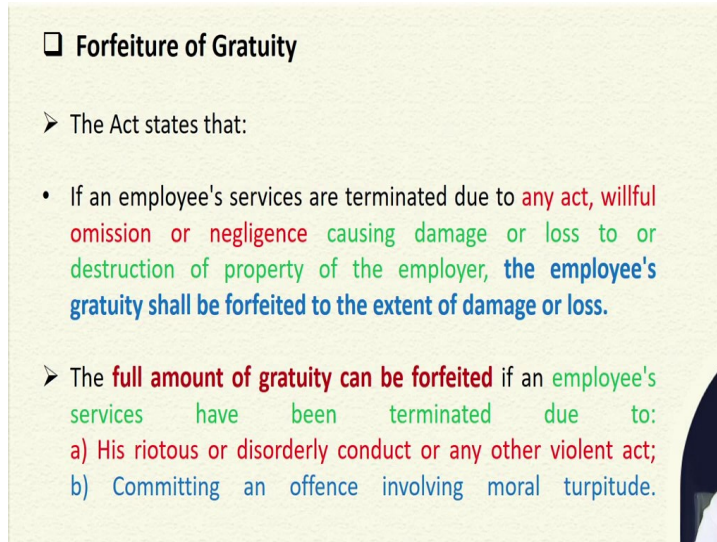
S.13	Protection of Gratuity	Can't be attached in execution of any decree.
Rule 20	Display of abstracts of the Act & rules	In Form U in English and in the language understood by the majority of the employees.

And also, you can see that the penalties are prescribed. So, imprisonment for a period of 6 months, is fine upto 10,000 rupees for avoiding any kind of payment or making a false statement, or representation. And imprisonment for less than 3 months and up to 1 year, or fine in default in complying with the provisions of the Act or rules. And the mode of payment is in cash, Bank Draft, or Cheque with an intimation to the controlling authority in that particular area. And now, it is made online payments. So, all electronic payments are made available.

And also, you can see that and also be these particular provisions must be made on the public notice boards in a language which is understood by the majority of the employees. And gratuity cannot be forfeited or cannot be attached by any court of law in the execution of any

decree, and that is another protection which is given to the gratuity, it cannot be attached by any court of law.

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❑ Forfeiture of Gratuity

- The Act states that:
 - If an employee's services are terminated due to **any act, willful omission or negligence** causing damage or loss to or destruction of property of the employer, **the employee's gratuity shall be forfeited to the extent of damage or loss.**
- The **full amount of gratuity can be forfeited** if an **employee's services have been terminated due to:**
 - a) **His riotous or disorderly conduct or any other violent act;**
 - b) **Committing an offence involving moral turpitude.**

The forfeiture, which we had already discussed. So, in certain cases, it can be forfeited, especially when the services of an employee are terminated due to any act, willful omission, or negligence, which causes loss or the destruction of property of the employer. So, to the extent of damage or loss, the employer can forfeit the gratuity. In certain cases, the full amount of gratuity can be forfeited, if the employee's service can be terminated due to his riotous, or disorderly, conduct or any other violent act and especially when committing an offence involving moral turpitude. So, then the full amount of gratuity can be forfeited. So, these are the very exceptional circumstances which are mentioned in the Act, where the gratuity can be forfeited.

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❑ Payment of Gratuity Amendment Bill, 2006

- Sec. 2(e): "employee" means any person (other than an apprentice) employed on wages in any establishment, factory, mine, oilfield, plantation, port, railway company or shop, school, college, university, to do any skilled, semi-skilled or unskilled, manual, supervisory, technical, teaching or clerical work, irrespective that such person is employed in a managerial or administrative capacity, but does not include such person who holds a post under the Central Government or a State Government and is governed by any other Act or by any rules providing for payment of gratuity.'
- Clause 3 of the Bill provides for bringing those engaged in teaching job in schools, colleges, and universities within the coverage of the Principal Act.

❑ Ahmedabad Private Primary Teachers Assn v. State of Gujarat, (Civil Appeal No. 6369 {2004})

- Teachers are not eligible to get Gratuity.
- Observation – "Sec. 2(e) of the PG Act, 'teachers' who are mainly employed for imparting education are not intended to be covered for extending gratuity benefits under the Act."
- "Teachers do not answer the description of being employees who are 'skilled', 'semi-skilled' or 'unskilled'," and hence they reject the contention that teachers should be treated as included in the expression 'unskilled' or 'skilled'.

Here, is the Payment of Gratuity Amendment Bill, 2006, which clearly mentioning about employees so, because the question arises whether all the employees are eligible for getting gratuity. So, the Act came up with the definition of employee. So, employee means any person other than an apprentice, who is employed on wages in any establishment, factory, mine, oil field, plantation, port, railway company, or shop, school, college, or university to do any skilled, semi-skilled, or unskilled, manual, supervisory, technical, teaching, or clerical work. And irrespective of whether they are employed in a managerial or administrative capacity. And gratuity is applicable to the managerial people as well as administrative people in all these establishments.

But the Central Government has specifically excluded certain classes of people from the purview of this particular Act. They are the people, those who are persons who are holding a post under the central government, or the state governments, and are governed by any other Act or rules for the payment of gratuity. And also clause 3 provides, bringing people who are engaging in a teaching job in schools, colleges and universities within the coverage of the principal Act. Earlier, they were not covered and the specific amendment is to include these people as well.

So, then, we can see that this amendment is made in 2006, mainly because of one case- Ahmedabad Private Primary Teachers Association versus State of Gujarat. So, in this case, the court has considered whether teachers come under the purview of the ambit of this Gratuity Act. Whether the teachers are eligible to get. So, the court looked at the definition of the PG Act at that point of time and said that teachers are mainly employed for imparting education. They have not intended to be covered for extending gratuity benefits.

And very specifically, the court said that the teachers will not come under the definition of the employee because they have not come under the category of skilled, semi-skilled, or unskilled. So, the Court rejected the condition that teachers should be treated as including the expression unskilled or skilled. So, in this particular case, the court very clearly said that the teachers will not come under the purview of any of the categories mentioned under Section 2(e). They are neither skilled nor semi-skilled.

Only people who come under the purview of these categories, those who are working in schools and colleges and universities can come under. So, it means that a driver or any other administrative person will come under the purview of this Act, but teachers will not come under the purview of this Act. So, in order to overcome this particular definition, this amendment came in 2006. But the story is not going to end there.

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❑ 2009 Amendment

➤ Amendments to the PG Act post the APPTA Case:

- An 'educational institution' is covered within the ambit of the PG Act (vide notification passed by the Ministry of Labour and Employment vide number S.O. 1080 dated April 3, 1997).
- Subsequently, keeping in view the observations of the Hon'ble Supreme Court in the APPTA Case, Payment of Gratuity (Amendment) Act, 2009 ("PG Amendment Act") was introduced to widen the definition of the term 'employee' u/s. 2(e) of the PG Act with an intent of extending the benefits of gratuity to teachers as well.

❑ New Definition of "Employee"

- ❑ Any person (other than an apprentice) who is employed for wages, whether the terms of such employment are express or implied, in any kind of work, manual or otherwise, in or in connection with the work of a factory, mine, oilfield, plantation, port, railway company, shop or another establishment to which this Act applies
- ❑ But does not include any such person who holds a post under the Central Government or a State Government and is governed by any other Act or by any rules providing for payment of gratuity."

Then we can see that again, the 2006 Bill came in the form of 2009 amendment. So, this 2009 amendment is mainly for educational institutions. There again, the question was, whether the educational institutions are covered within the ambit of the PG Act. So, in the Ahmedabad case, the court very clearly said that it will not come under the purview of this one. And next comes the other case. So, we already discussed about the employee and the definition of employee.

The definition of employee very clearly says that, so, all persons other than apprentices will come into the purview of the definition of employed the person who is employed within the definition of employee, those who are working in any of the areas whether it is in a factory,

mine oil field, plantation, port or anywhere. But does not include any such person who holds a post under a Central or State Government for the purposes of the Gratuity Act.

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❑ 2009 Amendment

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❑ Teachers – 9 January, 2019

- *Birla Institute of Technology v. State of Jharkhand, (Civil Appeal No. 2530 of 2012, otherwise known as "BIT Case"*
- Based on the earlier decision of *Ahmadabad Pvt. Primary Teachers Association v. Administrative Officer & Ors, [(2004) 1 SCC 755*

Observation – “that teachers are not employees for the purposes of Payment of Gratuity Act, 1972 ("PG Act")”.

☐ March 8, 2019

- **Teachers are Entitled to Payment of Gratuity- Supreme Court Recalls it's Earlier Judgment.**
- The Supreme Court while **recalling the Judgment noted that during the course of hearing of the appeal** it was **not brought to the notice of the Bench that the judgment of this Court in Ahmedabad Pvt. Primary Teachers Association vs. Administrative Officer & Ors.** on which the reliance was placed for **allowing the appeal necessitated the Parliament to amend the definition of "employee" under Section 2(e) of the Payment of Gratuity Act by Amending Act of 2009 with retrospective effect from 03.04.1997.**
- In other words, though the definition was amended in 2009, yet the same was given retrospective effect from 03.04.1997 so as to bring the amended definition on Statute Book from 03.04.1997.

So, then comes the second case, that is the Birla Institute of Technology and this case, so, in 2009, there was an amendment, to the extent that the teachers to include that is a 2006 Bill was passed in 2009, to include the teachers as well. And then comes to see another case in 2012, that is the Birla Institute of Technology versus State of Jharkhand. So, popularly known as the BITS case. In this case, the court has looked into the earlier decision, Ahmedabad private, the primary teachers association versus administrative officer and the court the Supreme Court has confirmed the decision in this particular case in the Birla Institute of Technology case aspect.

And so, they said that the teachers are not employees for the purposes of the Gratuity Act, 1972. And the judgment come out, so, in 2012 judgment, but in 2019, so, you can see that the Supreme Court was recalled, that means, after so many years of the judgement, somebody has pointed out that there was a law which was passed to include these private teachers. So, the teacher is also within the ambit of gratuity in 2009, which was not mentioned, either by the petitioner non by the defendant in the Birla case.

So, the court overlooked the amendment at that point of time. And it was pointed out in 2019, to the Supreme Court. So, this led to the recalling of judgment in the earlier appeal. So, the court said that this was not brought to the notice of the court at the judgment time. So, the judgment, which was pointed out to the court was among private primary teachers association versus the administrative officer.

And here you can, reliance was placed on the earlier judgment, and the 2019 respective amendment was not brought to the notice of the court. So, the definition successfully included teachers in 2009, with a total retrospective effect from 1997. And finally, in 2019,

the Supreme Court recalled its earlier judgment and included the teachers in the purview of the definition of the employee under the Gratuity Act.

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❑ Amendment 2018

- Payment of Gratuity (Amendment) Act, 2018 brought in force on 29th March, 2018.
- The **present upper ceiling on gratuity amount = Rs. 10 Lakh.**
- The **provisions for Central Government employees** under Central Civil Services (Pension) Rules, 1972 **with regard to gratuity are also similar.**
- **Before implementation of 7th Central Pay Commission, the ceiling under CCS (Pension) Rules, 1972 = Rs. 10 Lakh.**
- However, with implementation of 7th Central Pay Commission, in case of **Government servants**, the **ceiling has been raised to Rs. 20 Lakhs.....presently Rs.30 Lakhs from 2019 budget.**

❑ Calculation of Gratuity

- The **formula** is as follows:

(15 X last drawn salary X tenure of working) divided by 26

Here, **last drawn salary means basic salary, dearness allowance and commission received on sales.**

Suppose, **A's last drawn basic pay is Rs 60,000 per month and he has worked with XYZ Ltd for 20 years and 7 months.** In this case, using the formula above, **gratuity will be calculated as:**
(15 X 60,000 X 21)/26 = Rs. 7.26 lakh

So, again, you can see that the amendment was made in 2018. So, the earlier small amount was the ceiling of gratuity was increased to 10 lakh rupees. And 10 lakh rupees, the gratuity amount you will be able to get under these particular provisions. And also, later on, it was made into 10 lakh rupees, and with the advent of the Seventh Pay Commission, there was a lot of increase in the salary. So, the government has made it into 20 lakhs, and from 2019 onwards now, the ceiling of the gratuity is 30 lakh rupees. And presently we said that this is 30 lakh rupees.

And how the calculation of this very simple calculation of gratuity is made. It is 15 days' salary at the time of calculation of gratuity into the tenure of work divided by 26 days, that one month will be considered as 26 days. So, an example has been given if somebody is working on the last drawn basic salary is 60,000 rupees per month, and if he is worked for a particular company for 20 years and 7 months. Always remember that if somebody is what more than 6 months it will be considered as the full 1 year. So, it is going to be considered as 21 years. So, in the present case, the gratuity is calculated that is, the $15 \times 60,000 \times 21$ years divided by 26. So, it is the amount will be 7.26 lakh rupees. So, you can see the very simple calculation of gratuity, and it is going to be like a one-time payment to the employee after the superannuation.

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- **Gratuity under The Code on Social Security, 20**

- **Chapter – V: Gratuity under SS Code, 2020**

- Sec. 53: Payment of Gratuity
- Sec. 54: Continuous Service
- Sec. 55: Nomination
- Sec. 56: Determination of amount of gratuity
- Sec. 57: Compulsory Insurance
- Sec. 58: Competent authority

❑ **Definition of Gratuity** – Not defined u/SS Code, 2020

❑ **Sec. 53: Payment of Gratuity**

- Gratuity payable to an employee on the **termination of his employment after he has rendered continuous service for not less than 5 years** –
 - a) On his superannuation; or
 - b) On his retirement or resignation; or
 - c) On his death or disablement due to accident or disease; or
 - d) On termination of his contract period under fixed term employment; or
 - e) On happening of any such event as notified by Central government

❑ **Sec. 54: Continuous Service**

- To be **eligible for Gratuity**, an **employee shall be in continuous service for uninterrupted period, including service that has interrupted on account of:**
 - a) Sickness;
 - b) Accident;
 - c) Leave;
 - d) Absence from duty without leave;
 - e) Lay-off;
 - f) Strike or lock-out or cessation of work, not due to any fault of employee

So, quickly we will look into these provisions in the new code as well. The new code also continues with the all provisions of this old Act, and also we can see some provisions which are not made. For example, in Section 57, there is compulsory insurance made applicable in the case of employees paying the gratuity. So, now, it is compulsory insurance also, we will see that, what are those provisions, new provisions are included. And the grounds who is eligible to get, and when it is eligible to get it says grounds are the same at the time of superannuation, retirement, or resignation, or his death, or disablement due to accident, or termination of his contract period.

And because now the government through the new codes offer contract job. So, the termination of the contract job is also included. And also the central government is empowered to include any type of, any type of circumstances where it is applicable, the payment of gratuity is applicable. So, and also the continuous service there is some leverage

that has been made to the continuous service. So, here we already said that there was a minimum period of 5 years is required to be eligible to get the gratuity.

So, here are the certain periods included in that 5-year period, for example, somebody has taken leave during sickness, due to accident, any kind of leave, absence from leave without, duty, lay off, strike, lockout, cessation of work. So, it should not be due to the fault of the employee. So, all these categories of absence are will be considered or deemed to be considered as in the continuous period of service.

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❑ Sec. 55: Nomination

- Each employee, who has **completed 1 year of service**, shall make nomination, within such time and manner as prescribed by the appropriate government

❑ Sec. 56: Determination of Amount of Gratuity

- An **employer shall arrange to pay the amount of gratuity within 30 days** from the date it shall be payable to the person to whom such gratuity is payable

❑ Sec. 57: Compulsory Insurance

- Every **Employer shall provide compulsory insurance, for his liability for payment of gratuity from any insurance company** that must be regulated by the concerned authority of Insurance Regulatory and Development Authority Act, 1999
- **Not applicable on those employers which are under the control of or belongs to Central Government or State government**

And they can now say that everybody to nominate, after 1 year of service, the person who is eligible to get the gratuity is the nominated person in case of death. And now, as I told you that the employer, in the determination of the amount of gratuity, the employer has to arrange

to pay the gratuity within 30 days and its payable date is within 30 days to the person the gratuity is payable. So, if somebody is superannuated within 30 days the gratuity has to be paid by the employer.

Now, this most important provision, which is included by the amendment is or through the code, new code is the mandatory, compulsory, insurance for liability of the payment of gratuity, from in collaboration with any insurance company, which is any insurance company which is recognized by the Central Government or recognized by the Insurance Regulatory and Development Authority under the Act of 1999. So, now, there is no escape for the liability escape from the liability for employees for paying the gratuity. So, the insurance companies are going to pay if the employer is not eligible to, go into if he is not able to pay the insurance companies are going to pay this particular amount.

And in this case, it is not applicable to those employees which are under the control of or belong to the central government or state government. So, the non-applicability of the gratuity, even though it is not very clear whether the Central Government employees or the State Government employees are going to be eligible to get gratuity, under this Gratuity Act's provisions. So, now, there is a mandatory insurance scheme is applicable for paying of liability of this gratuity by the employer.

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❏ **Sec. 58: Competent Authority**

- The **Appropriate government** shall appoint any officer of that government, to be the competent authority for proper implementation of gratuity scheme amongst the Central government
- The **qualification and experiences shall be scrutinized by the competent authority** for efficient implementation of gratuity schemes amongst its targeted workers

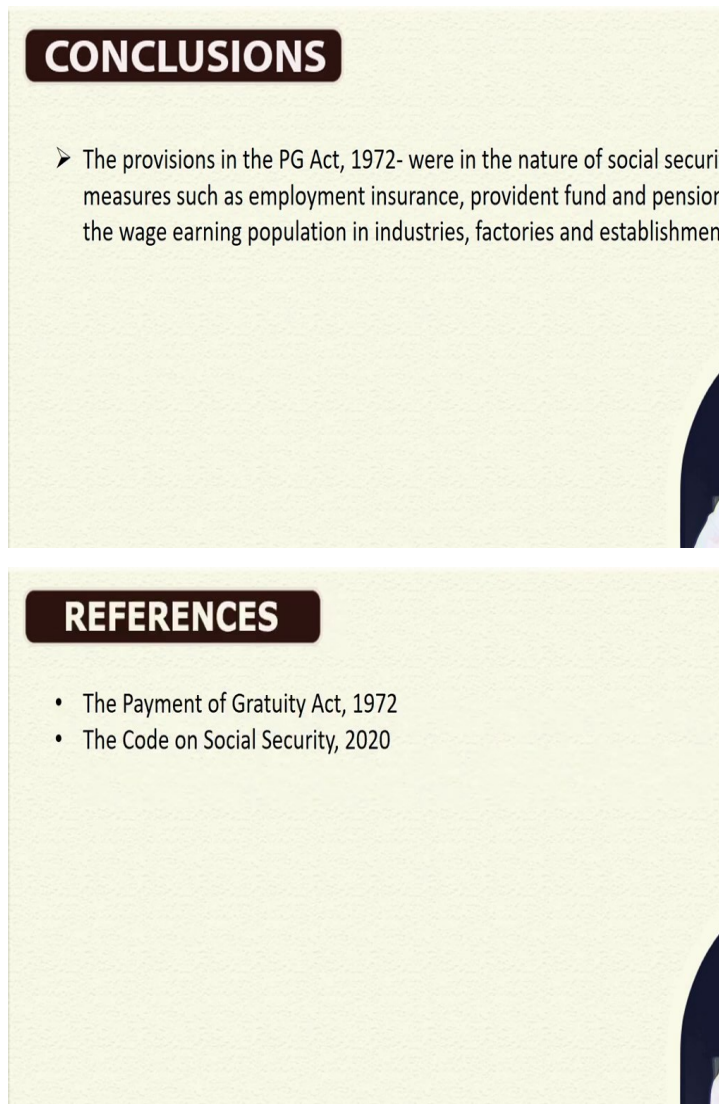
❑ Tax Liability

- The amount of gratuity received by a government employee is exempt from the income tax.
- Private employees – 2019 budget – Rs.30 Lakhs

Now, the government has to appoint with the consent of appropriate offices and competent authority for proper implementation of the gratuity scheme. So, if an employer is not paying gratuity, the employee can go and complain to this particular competent authority or appropriate government to appoint the competent authorities. So, the qualification and experience of this particular authority are to be mentioned by the central government through the rules. So, there is going to be an implementation officer. So, the government is intended to implement it very strictly. And also we can see that, so, the government has made the gratuity completely devoid of income tax in the case of government employees.

But, in the case of private employees, it is upto 30 lakh rupees and beyond 30 lakhs they have to pay income tax. In certain cases, there are certain concessions with regard to certain categories of employees, but basically, only the government employees are fully exempted and private employees beyond 30 lakh, have to pay tax, but we are not able to understand why the government wants to impose income tax on again a social security scheme, and who is going to get at the end of his service at retirement age after the retirement or so, why the government exactly want to impose tax liability on retired people. So, this is not in accordance with the spirit of social security legislation.

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CONCLUSIONS

- The provisions in the PG Act, 1972- were in the nature of social security measures such as employment insurance, provident fund and pension for the wage earning population in industries, factories and establishments.

REFERENCES

- The Payment of Gratuity Act, 1972
- The Code on Social Security, 2020

So, this is actually all about gratuity, and in conclusion, we can say that the Gratuity Act or the so-called PG Act is now repealed and included in the social security legislation in the new codes. And also some of the provisions are included to widen the ambit of this paying of gratuity and the mandatory insurance scheme is included, now, the employees have no escape from the liability to pay gratuity. So, now, this mandatory insurance scheme is one of the best schemes so, that there will not be much liability on the employees to pay this particular gratuity.

So, and also the establishments the Central Government may see are made applicable to more establishments so that the unorganized sector is also covered by this the benefits of this

particular Act. So, the Gratuity Act is very much suitable for all classes of employees at the time of retirement, superannuation, or resignation. Thank you.