



Managing Expatriates & Globally Mobile Employees International Relocation and Assignment Policy Trends

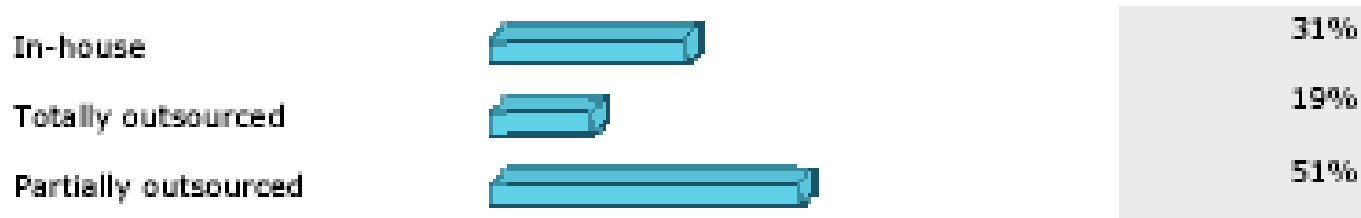
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Canadian Employee Relocation Council
June 11, 2009

Policy Trends

- 2009 CERC Relocation Policy Survey
- Organization Profile
 - 98 organizations
 - 61% have annual revenue over \$500M
 - 40% have over 5,000 employees

Administration

- 92% of organizations have a formal relocation policy in place
- 76% centrally managed
- How the program is managed



- Outsourcing trends have stabilized

Administration

- 86% track relocation costs, and 54% report doing so internally
- 1 in 4 have a process to determine success or failure of an assignment – “*Negative impact on culture and relationships*” is major factor
- Only 3 organizations have a process to determine ROI
- 77% give less than two months notice; just over 1/3 give just one month advance notice to the employee.

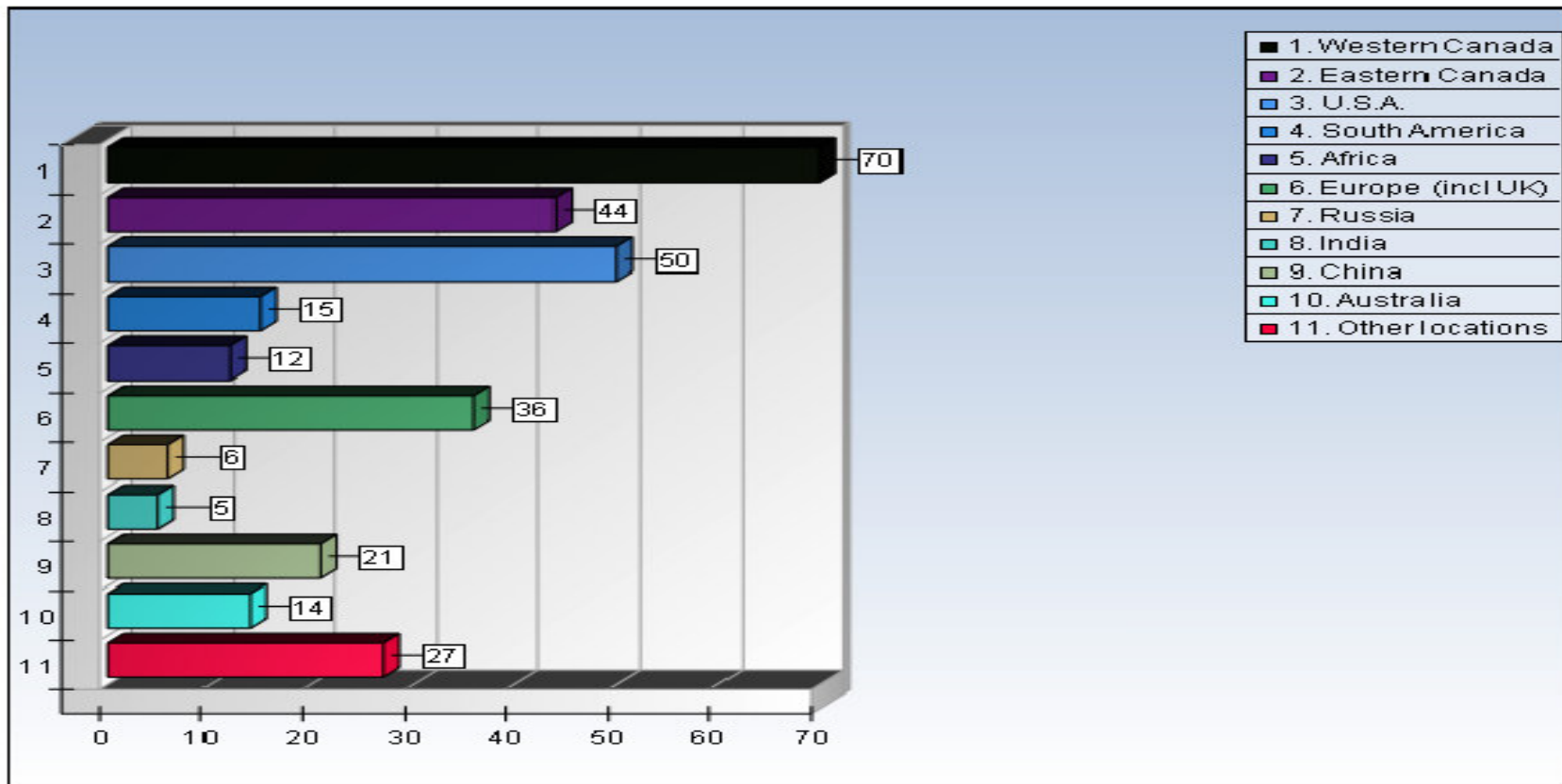
Management Profile

- 83% of companies manage relocation from within HR
- \$76,000 - average salary for relocation managers
- 32% of managers report spending between 75% - 100% of time on relocation

Transferee Profile

- 36-40 years of age
- Married / working spouse/ partner
- \$92,600 average annual salary
- Family / spousal concerns are the number one reason for rejecting a relocation.

Relocation destinations



Relocation Policy

- Talent acquisition was noted as the “most important goal” of the relocation policy
- 87% of companies benchmark their policies
- 86% of companies make exceptions to policy

Policy Changes

72% of companies made changes to relocation policy over the last 24 months

Domestic Policy	Cross Border Policy	International Policy
Miscellaneous Allowance 35%	Miscellaneous Allowance 20%	Miscellaneous Allowance 20%
Interim Accommodation 35%	Policy Structure 22%	Movement of Household Goods 18%
Policy Structure 33%	Movement of Household Goods 14%	Policy Structure 18%
Home Disposal Assistance 28%	Tax Counselling 14%	Tax Counselling 14%

Relocation Policy

- 74% expect to make policy changes within next two years – most common changes are :

Domestic Policy	Cross Border Policy	International Policy
Home Disposal Assistance 33%	Home Disposal Assistance 18%	Policy Structure 24%
Policy Structure 33%	Interim Accommodation 18%	Spousal Partner Assistance 18%
Miscellaneous Allowance 33%	Miscellaneous Allowance 18%	Home Disposal Assistance 16%
Equity Loss Provisions 29%	Policy Structure 18%	Interim Accommodation 16%

Cost containment is the driving factor for change

Cross Border Relocation

- Average cost to relocate a homeowner \$64,941
- Family issues are identified as being the most challenging management issue
- 73% of companies have a formal policy
- 35% have specific policy for cross border moves

Housing

- 64% provide home disposal assistance, for permanent moves (3 year +)
- 54% allow employee to purchase a home
- 41% offer equity loss protection: Average \$30,250
- 27% of companies offer housing differential
- 64% offer COLA for new residence

Family/ Other Assistance

- 68% provide destination services
- 65% offer rental search
- 52% offer settling in assistance
- 41% offer spousal assistance
- 9% provide spousal / partner education
- 18% provide schooling assistance
- 7% offer elder care assistance

Household Goods Movement




- All of companies provide assistance with movement of HHG
- 76% have restrictions – greater number of restrictions on cross-border moves
- 42% of companies contract with a third party

Taxation Policy

- 35% of companies have a tax reimbursement policy in place
- Tax equalization policy is used by 2/3
- No companies cover spousal income in the equalization protection
- 69% provide tax counseling prior to departure
- 72% apply for a Certificate of Coverage

Payroll & Benefits

- Home vs. host country base for payroll payment purposes

Home country		35%
Host country		44%
Split or combination		21%

- 18% of companies provide f/x protection on compensation
- 45% use home country to determine base salary

Payroll and Benefits




- 39% provide complete home country pension and benefits in the host country
- 60% of organizations with a company pension plan maintain home country coverage

Payroll & Benefits

- 73% offer pre departure medical
- 2/3 of companies cover medical and travel costs as needed
- 38% of companies provide education assistance for families (100% tuition)
- 65% provide one or more home visits per year

Repatriation

- 37% of companies have a repatriation program
- Elements of the program include

Career planning		31%
Employee and family reintegration		53%
Organizational knowledge transfer		15%
Psychological counselling		0%

International Relocation




- Average cost for a home owner \$92,200
- Family issues are the most challenging management issue, followed closely by taxation issues, and cultural issues
- 84% of companies have a formal policy
- 51% have specific policy for international moves

Housing

- 52% provide home disposal assistance, for international assignment
- 63% do not allow purchase of home in host country
- 57% of companies offer housing differential
- 80% offer goods and services allowances for new residence

Miscellaneous Allowances

- 78% offer a cost of living allowance
- 58% provide automobile assistance
- 74% of companies offer miscellaneous allowances

Hardship or remote location allowance		71%
Foreign service premium or allowance		71%
Country allowance		25%

Other Assistance

- 75% Destination Services
- 72% Settling In Assistance
- 68% Language Training
- 61% Cross-Cultural Training
- 36% Spousal reemployment assistance
- 25% Spousal Education Assistance

Household Goods Movement

- All of companies in survey provide assistance with movement of HHG
- 83% have restrictions on items that can be moved (boats, cars etc.)
- Almost half of companies contract with a moving company

Taxation Policy

- 46% have a written policy in place
- Tax Reimbursements

	Temporary Assignments	Long Term Assignments	Permanent Relocations
Tax protection	10%	16%	5%
Tax equalization	63%	79%	16%
Laissez-faire (assignees are responsible for all taxes)	5%	5%	0%

- No companies cover spousal income

Visa and Immigration

- 52% of companies use external legal services
- 85% cover all cost in obtaining a work permit
- 63% provide assistance to the spouse to obtain a work permit

Payroll & Benefits

- 58% use home country base for payroll payment purposes
- 37% of companies provide foreign exchange protection
- 70% use home country to determine base salary
- 65% use home country pension and benefits coverage

Payroll & Benefits

- 79% of companies maintain pension plan coverage in the home country
- 73% of companies cover medical and travel costs as needed
- 73% provide at least one home visit per year
- 65% provide educational assistance for children in international or private schools

Repatriation

- 45% of companies have a formal repatriation program
- In 71% of companies the repatriation plan occurs towards the end of the assignment
- Early repatriation is the most common determinant of success/failure of the assignment

Conclusion

- Cost containment is driving policy reviews, and revisions of coverage
- Benchmark policy and update regularly
- Track developing trends and expectations
- Maintain flexibility in policies and programs
- Treat every relocation as career development

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Questions?

More Info?

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Thank You