

Top Things to Know About Global Moves: Long-Term, Short-Term and Permanent

Every relocation represents an investment in your global workforce, so thorough research and planning is recommended to support that investment — and to maximize the success of each relocation, talent retention and alignment with company goals. Stakeholders should keep the following in mind:

- 1. Moves that appear to be straightforward can end up being complex.** Prepare by being aware of all compliance, cultural and logistical challenges that could arise in origin and destination locations.
- 2. Compliance requirements,** such as the paperwork required for visas or work permit applications, vary significantly from one location to the next and are ever changing. It's important to stay on top of these changes to be proactive and minimize potential risk and exposure for employees and the organization.
- 3. Relocations consist of more than moving a person from point A to B.** Leverage the right experts for guidance and planning regarding tax compliance (including departure return requirements), repatriation, payroll and withholding, health insurance, and visa and immigration.
- 4. Equitable treatment doesn't necessarily mean equitable spend.** Cost of living, geographic-based needs, family size, and housing markets all contribute to the varied budgets required to provide equitable support from one location to another.
- 5. Relocations are most successful when employees receive the right level of support.** Guidance and education help to aid a smooth transition from the origin location to the host location. A lack of guidance and education can lead to missteps and poorly matched services — which may result in an employee's time and attention being taken away from his/her job and refocused on fixing relocation-related problems that could have been avoided. Destination country guides and information on living and doing business in the destination areas is extremely helpful for any relocating employee.
- 6. Origin and destination combinations may have tax implications that impact both the employee and the organization.** It's important to engage with a tax provider that is knowledgeable in global relocation compliance to provide support to the organization and the employee.
- 7. Employees that have been relocated before aren't necessarily experts on relocation.** New destinations and changing compliance requirements result in unique circumstances that require an education and guidance to navigate.
- 8. Successful relocations support talent management and retention strategies.** Supported employees are more fully engaged and become company brand advocates.
- 9. A global Mobility program is more successful when it takes into consideration regional nuances.** The right application of global and regional policies recognizes different employee expectations and varying cost thresholds by the business.
- 10. Accompanying spouses and partners often feel culture shock most strongly.** Keep an open line of communication and provide support through networking communities to help them integrate into their new environment. Their successful assimilation will support a successful relocation experience and may drive the job performance of their spouses, by allowing them to maintain focus on job requirements versus relocation challenges.



Short-Term Moves (Recommended Duration: 3–12 months)

- ▶ Short-term moves typically don't require considerations for an accompanying spouse/partner or dependents (unaccompanied relocations).
- ▶ Short-term moves should utilize a "home-based" package. Compensation and allowances should be based on the expectation that the employee will return to his/her home location at the end of the assignment, and should be designed to accommodate the cost of living in the new host location.
- ▶ Employees may be able to maintain eligibility for home-based benefits during a short-term move, from their retirement plans to participation in their HSA programs.
- ▶ If an extension to the short-term relocation becomes necessary past a 12-month period, changing programs may be necessary to address tax implications.
- ▶ Short-term assignments remain the approach of choice for project-based and knowledge sharing initiatives.



Long-Term Moves (Recommended Duration: 1–3 Years)

- ▶ Long-term moves are intended to be temporary. Compensation and support structures should reflect the temporary nature of the move and not company discretion and style.
- ▶ Long-term moves are considered "home-based" moves, so compensation and allowances should be based on the expectation that the employee will return to his/her home location at the end of the assignment.
- ▶ Employees may maintain eligibility for home-based benefits during a long-term move, from retirement plans to participation in their HSA programs. Benefits onboarding should be provided to the employee upon relocation.
- ▶ Long-term moves may require the consideration of accompanying spouses, partners and/or children. Since successful family assimilation into the host location ensures a successful relocation and assignment, school-finding assistance, language training, cultural training, and spousal/partner support (for career development, continued education and area orientation) are all important considerations.
- ▶ Long-term assignments remain a key strategy for organizations today, especially for roles with fiduciary, compliance and senior strategy responsibilities. The business case required for these roles needs to be watertight, due to the significant costs associated with a two-to three-year expat package.

Why consider a "home-based" package? Imagine your employee has been relocated to a location with a higher compensation structure than that of the structure in the home location. While the intention is for the employee to repatriate at the end of the assignment, s/he may not want to if his or her net take home pay is higher in the host location.



Permanent Moves

- ▶ In a permanent move, there are no defined plans for repatriation.
- ▶ Employees will likely not maintain eligibility for home-based benefits, from their retirement plans to participation in their HSA programs. Benefits onboarding should be provided to the employee upon relocation.
- ▶ Permanent moves are considered "host-based" moves.
- ▶ Just as with long-term moves, permanent moves require the consideration of accompanying spouses, partners and/or children. Here, too, school-finding assistance, language training, cultural training, and spousal/partner support (for career development, continued education and area orientation) will be important: a successful relocation depends on assimilation into the host location by the entire family.