

To Repatriate or Not to Repatriate?

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Decisions Impacting Mobility During the Pandemic

Prior to the advent of COVID-19, there was already an extensive set of considerations attached to repatriation, from the management of expenses and support to the avoidance of reverse culture shock and attrition. Add a pandemic to the mobility mix and, today, the issue has become even more complicated – requiring fast, but informed decisions about when and how to repatriate employees and troubleshooting the resulting impacts on assignment trajectories and company objectives. What are the repatriation considerations specific to current world events? What are the logistical challenges? Below, we'll address some answers to these questions.

Repatriation Considerations Specific to the COVID-19 Pandemic

Prior to COVID-19, best practices encouraged companies to determine outcome expectations for both employees and their assignments before each relocation or assignment began. Would the employee return to the same position s/he held before a given assignment? Would there be room for a promotion, a transfer to another location, or no certain next step at all when company goals for a relocation were achieved? How were those goals defined and how would their success be measured? By defining what was expected at the conclusion of an assignment before it even began the company could manage expectations and talent, and plan for the future.

However carefully planned those assignments or relocations had been, COVID-19 has disrupted expectations. Should an organization permanently repatriate its employees, ensure that they can work from home in the host location until the pandemic is contained, or send them to a temporary location? When an employee is removed from the host location, there can be substantial impacts to the trajectory of the intended assignment that impact both the company and employee. The financial and administrative impacts are equally significant.

Cost Impacts and Business Needs

For employees that have remained in their host locations, many organizations are absorbing some or all of the costs associated with employee safety in the office and/or the necessary technology to support more productive work from home. For those that are repatriated, there are often two approaches being taken:

If temporary, the repatriation can result in duplicate housing costs, administrative and financial burdens associated with extended temporary housing, and tax implications for both the employee and the business. Employees with children may also encounter simultaneous home- and host-location school fees, as many schools will require payment of these fees even if the student is not in the host location.

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Permanent repatriations would have fewer risks of duplicated fees but come with the inconveniences of fees associated with breaking leases and tuition contracts. There can also be tax challenges and complications surrounding the securing of a home, employee safety, and reassessing how business goals will be met.

Employee Safety

Employee wellbeing should always be front-of-mind during any relocation or repatriation, but this is especially true during the pandemic. Geo-political conditions must also be considered, such as those that are [unfolding in Hong Kong](#) or in the [United Kingdom, due to Brexit](#).

To support the safety of employees in their new locations or when in transition, stakeholders should remember to consider additional factors when repatriating employees or moving them to a temporary location, including:

- The distance of the trip, travel through at-risk areas, and/or airport closures, any of which may influence the employee's ability to travel
- Whether the employee's medical coverage is valid in the country the employee is traveling to; if it isn't, stakeholders will need to determine the ease or difficulty of obtaining new coverage in the destination location
- Access to quality medical facilities and/or goods and services that will be necessary for the employee's well being
- Unexpected complications, risks, quarantines, or delays that could arise if the employee is exposed to COVID-19 in an airport, during a flight, etc.
- Medical issues pertaining to the employee and/or accompanying family members that may either indicate an immediate need to return to the country of origin or prevent it

Factors to Consider When Deciding to Repatriate

- **Government-Directed Repatriation**
- **When Repatriation is a Choice**
- **The Driver Behind the Initial Assignment or Relocation**
- **Business Continuity**
- **Logistical Challenges**
- **Children's Education**
- **Family Pets**
- **Tax Liability**
- **Timelines**

To Repatriate or Not to Repatriate?

Depending on the circumstances surrounding each scenario (job level, driver for the initial relocation, origin- and host-country combinations) there will be advantages and disadvantages to repatriating versus staying in place, so it will be important to examine each employee's circumstances on a case-by-case basis whenever possible. As with any major event impacting a company's mobility population, the first step before making any decisions should be to engage the mobility population to determine their concerns, and needs, rather than the company making assumptions about them. A company that anticipates a mass exodus of employees, for example, may be surprised to find that very few actually want to repatriate or that there is a divergence on the timing of requested departures. Quarantine periods, productivity, and related expenses – in the host location, or the origin or temporary location – should also be a consideration, as should the potential for spreading the virus and/or employee vulnerability in each applicable location. Some of these factors will be beyond either the company's or employee's control, and that inability to control certain factors should be considered in the decision-making process.

Government-Directed Repatriation

Many countries have issued advisories to temporary residents of other countries to return to their home or native countries if travel allows for it. Since many have also warned that their ability to provide consular support to out-of-country citizens could be limited, many employees have found they must return to their countries of citizenship.

When Repatriation is a Choice

Whenever repatriation is a choice, the risks associated with remaining in the host location should always be compared against any risks of repatriation or a temporary move. Consulting with medical professionals, tax experts, and immigration subject matter experts can be helpful to this end. Once safety concerns are identified and honored, other considerations should include:

The Driver Behind the Initial Assignment or Relocation

Decision makers may wish to retain employees in the host country to address a specific business need or succession planning, but repatriate those that relocated for personal development.

Business Continuity

If the organization decides to repatriate a particular employee:

- Will s/he be able to accomplish company goals from the country of origin or will local talent need to be sourced as a replacement?
- If a leadership position, will the repatriation of the employee cause business closures (permanent or temporary) that will impact business productivity or the lives of local employees?

Logistical Challenges

A variety of practicalities should be considered, including:

- Travel conditions: Airport closures, limited flight schedules, and pet/customs restrictions can result in a lack of direct flight availability, the need for extensive ground transportation, extended pet care in the host country, etc.
- Mandated Quarantine Periods and Testing: If returnees will be required to undergo testing and/or a period of quarantine or isolation and the time will not be spent in a government quarantine facility:
 - Who will be responsible for the associated costs if temporary accommodations or dedicated quarantine facilities will be necessary?
 - Who will cover additional costs associated with testing or medical expenses if employees are admitted to the hospital?

- Will the employee be paid for this time or will s/he be required to utilize annual leave time, medical leave, or unpaid leave if company policies do not allow for working from home in this particular position?

One way to determine the answers to these questions is to place the responsibility (or the most significant portion of it) on the party that requested the repatriation: the employee or the organization.

- **Salary Adjustments:** Depending on the length or permanence of the repatriation and/or the employee's level of responsibility within the organization, allowances or adjustments concerning cost of living (COLA) or location may need to be made to ensure that the employee's purchasing power is maintained – or expectations will need to be managed.

Children's Education

Many schools have implemented remote learning options to allow for continuing education during the pandemic. However, if the repatriating employee's country of origin is removed by several time zones, this could negatively impact or completely disallow the student from participating in lessons and interacting with his/her fellow students. If alternate enrollment options are needed, availability should be investigated as it may be limited. Adjusting to differences in curriculum may be stressful for children, along with the abrupt changes that have occurred. Companies will benefit from using their mobility partner's [educational consultancy/school search](#) services to eliminate some of the stress surrounding these inquiries and concerns.

Family Pets

As restrictions and guidelines fluctuate regarding animal transportation, interim pet care and reuniting families with pets have become a challenge. Many employees are unable to take their pets with them during repatriation for a variety of reasons: animals are unable to be transported during hotter months, when airplane cargo bays are also too hot; flights that are often limited in number can be too crowded to accept pets in cabins with passengers; some airports don't accept animals at all, resulting in a need for pets to be flown into an airport that is a great distance from the employee's destination and further resulting in the need to arrange ground transportation or time off from work for the employee to retrieve the animal themselves. Until an animal can be placed on a flight, interim care will be needed at additional costs if a neighbor or colleague isn't available to take on the responsibility.

Tax Liability

Whether a repatriated employee continues to work in a capacity for the host country or shifts his/her focus to work solely for the home/origin country, complications can arise related to tax liability. Scenarios may include:

- If the employee returns to the country of origin for an extended period of time, which may reclassify the employee as a resident in the home location for income tax purposes
- In some cases, tax requirements will apply to both the home and host countries
- If an employee is living in their home country but performing work for the host entity, this may give rise to complications associated with corporate tax liability (Companies should work with their tax partners/advisors for guidance on tax issues and compliance as part of their repatriation decision process)

Timelines

Consideration of where the employee is on the timeline of his/her assignment may play a part in deciding if the employee should be repatriated – or when. Questions to consider include:

- Is the end date for the initial assignment in the near future?
- Have goals been met ahead of time?
- What steps could be made to extend the employee's stay past the intended end date, if finishing the assignment would necessarily keep the employee in the host country past the date of any origin-country-imposed travel bans or due to second waves of the pandemic?
 - How would taxability and/or immigration compliance be impacted by the above?

Making a Decision – One Case at a Time

Since scenarios will vary there is, unfortunately, no cookie cutter answer to the question of whether or not to repatriate an employee. Ultimately, the decision for each employee will vary based on a variety of factors, including the health and safety of each employee and accompanying family, company needs and goals, and governmental restrictions and requirements.

In cases in which employees *are* repatriated, company stakeholders should always remember that repatriation in and of itself can be a challenge for employees and their families, particularly if they've spent a significant amount of time in the host country. Support

will be needed with respect to home finding, COVID-19-related quarantines, reverse culture shock, and/or complications that may arise as a result of uprooting accompanying children mid-school year – or how to care for family pets that were unable to travel or relocate with the family. These issues may be further complicated when compounded by any shifts in political, social, or economic stances such as the ones we're currently seeing in locations around the world. Thorough communication regarding expectations, needs and levels of support, and next steps will be key to maintaining the organization's brand reputation, company goals, and employee safety throughout the repatriation process. The multiple factors, risks, costs and alternatives require careful consideration. Organizations should look to their global relocation management company for analytical support, input on best practices and how other organizations are handling current challenges, and for providing on-the-ground logistical support when repatriating employees during the COVID-19 pandemic.

For more information on how SIRVA can support your organization's mobility needs, during and after the pandemic, please contact us at conciierge@sirva.com.

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