



Key Considerations for Extended Business Traveler Programs

As organizations continue to emerge from the pandemic-imposed restricted business environment, there has been a renewed focus on extended business travel as a way to meet business needs. Organizations are beginning to develop, or reevaluate, their Extended Business Travel (EBT) programs.

Is your EBT program working as a strategic tool for your organization in an evolving post-pandemic workplace? Are you prepared to avoid any potential compliance issues that may impact your organizations and assignees?

Six Important Ways to Evaluate Your EBT Program

There are several key considerations when evaluating your EBT program. This is an assignment type particularly vulnerable to compliance challenges and other issues that can lead to increased risk, and the overall intent of a comprehensive EBT program is to minimize both employee and corporate risk. Without a formal program, extended business travelers can put themselves, and your company, at risk

by potentially failing to comply with tax and immigration guidelines. Fines can be quite significant, so it is important for your organization to find effective ways to track EBTs and ensure compliance.

Below are some important steps to evaluate a comprehensive and effective EBT program:

1. Define Extended Business Travel

It is important to define what EBT means to your organization for it to be handled consistently and to differentiate it from other program and policy types. Typically, the duration is beyond just a standard business trip, but does not qualify as a short- or long-term assignment. The most common industry-defined duration is from 30 to 90 days. After 90 days it would be considered a short-term assignment. Any EBT program support is



designed to meet the specific business needs of this duration that may not be addressed in your normal business travel policy, and is not of the length to offer complete short-term assignment benefits.

2. Administrative Structure/Program Oversight

Who has oversight for the program and how is it administered? Global Mobility teams are increasingly involved in the oversight of extended business travelers. Program management can be centralized or within the region, but the key is to have a single program owner to develop and enforce the policies and procedures that govern the program on a global basis. EBTs may also be managed by your Human Resources group, individual business units, or travel department.

3. Develop Process and Policy

Best practice recommends that you develop a formal policy or guidelines to provide support for your employees going on extended business trips. Clear documentation provides an appropriate level of support, consistency, and assurance of compliance.

Industry research and surveys have shown that the top challenges for managing EBTs are tax compliance, immigration compliance, and employee tracking. When planning for extended business travel, business managers don't always consider host location requirements when choosing employees or setting travel time, nor do they understand the ultimate tax and immigration implications. Centralizing administration and program guidelines significantly reduces the challenges and risk in these critical areas.

Top EBT Management Challenges

1. Tax compliance
2. Immigration compliance
3. Employee tracking

4. Employee Tracking

Having an employee tracking mechanism in place is critical to ensuring tax and immigration compliance. It also allows your organization to have the ability to easily locate employees, which

is an overall key duty-of-care function. Tracking the whereabouts of employees became a front and center issue during the COVID-19 pandemic. Different types of tracking tools are available from travel providers, tax providers, immigration providers, relocation services providers, in addition to your own internal tools.

5. Leverage Mobility Provider Network

Identifying and streamlining the providers involved in your EBT process, and leveraging existing mobility providers, will provide consistency and cost savings to your program. These providers may include:

- Corporate travel
- Immigration
- Tax
- Relocation management company
- Data provider
- Temporary housing

6. Coordinate Support

Extended business travel support can be coordinated internally on your mobility team, by a separate team(s), or through one of your organization's mobility partners. It is not recommended that the employee coordinates support on their own or that coordination is handled at the manager or business level due to compliance and consistency concerns.



Recommended EBT Support Components

Once program structure and governance are in place, it is recommended to determine the level of support your organization will provide for EBTs, focusing on compliance-related components and provisions that allow the employee to safely transition to the location and effectively perform their role.

Support may differ based on a number of factors:

- Domestic or international travel
- Level of employee
- Duration of travel
- Desired employee experience
- Job driver or purpose
- Budget
- Job or role requirements
- Destination location or location combination

Some recommended EBT support elements include:

Pre-Travel Consultation: Providing employees with a pre-travel consultation is key for them to understand their responsibilities as an extended business traveler, including adherence to compliance guidelines and the support your organization will provide.

Tax Briefing: A tax briefing may be provided by your organization's designated tax provider and can be important if, depending upon the location, the extended trip triggers any taxes. The tax briefing can apply to both domestic and international travelers.

Security Briefing: For international EBTs, depending upon the location, a briefing can be provided by an external provider or in-house security team.

Medical Exam: For international EBTs, a medical exam may be necessary for immigration purposes and some organizations require a physical exam before going on any extended business travel.

Immigration Assistance: For international EBTs, the business traveler must have authorization to work and temporarily reside in the host location.

Recommended EBT Support Elements

- Pre-Travel Consultation
- Tax Briefing
- Security Briefing
- Medical Exam
- Immigration Assistance
- Language Training
- Cultural Training
- Travel Between Departure Location and Destination Location
- Destination Location Accommodations
- Living Expenses
- Local Transportation
- Tax Policy and Preparation

Passport, visa applications, and supporting documentation must be completed and supplied as early in the process as possible. It is important to allow adequate time for document processing.

Language Training: For international EBTs, language training may be necessary to ensure the success of the employee in the host location.

Cultural Training: For international EBTs, just like long- and short-term assignments, cultural training is recommended to provide the employee with the tools they need to appreciate and understand the culture so they can succeed in their new role.



Travel Between Departure Location and Destination Location: Travel is typically based on your organization's business travel policy guidelines and booked through your designated travel provider. Travel expenses can include:

- Airfare
- Ground transport to/from airports
- Airport taxes and transfer fees
- Standard baggage costs
- Additional excess baggage for longer durations
- Possible authorized stopovers depending upon trip length
- Meals
- Mileage if driving with a minimum daily driving distance
- Lodging

Destination Location Accommodations: Furnished corporate housing or hotel is typically provided for the duration of the extended business trip.

Living Expenses: Meals and incidentals are typically covered by a per diem which is intended to pay actual and reasonable living expenses for days in location. Per diem amounts can be determined using a data provider, government tables, business travel policy, company calculation, or flat amounts.

Local Transportation: If the employee is not able to drive their vehicle to the destination location, they are provided with reasonable transportation assistance as appropriate to the employee's position, based on destination location policy/practice and local business rules. Assistance may be in the form of an allowance, reimbursement, rental car, or company car.

Tax Policy and Preparation: Ideally, the employee's tax liability should remain the same for the period of extended business travel as it would have been at home. The company would typically pay any liability over and above what the employee would have normally incurred on company-sourced income. If tax return preparation is necessary (international), the company would cover the costs of the year(s) impacted.

For more information on how you can make EBTs a strategic part of your mobility program, please contact SIRVA Global Advisory Services at globaladvisoryservices@sirva.com or reach out to your SIRVA account manager or SIRVA sales representative.