International Relocation:
The Policy, Process, and Politics
Introductions – Ann Marie Norsk

• Ann Marie is a partner in Deloitte’s Global Employer Services Practice

• Prior to joining Deloitte, Ann Marie was the Chicago office Lead Partner for International Executive Services, Network of Women and Work Environment Team at KPMG in Chicago.

• Ann Marie has over two decades of experience delivering global mobility services to corporations and their international assignees.

• Her experience includes individual advisory, international assignment policy review, global individual tax compliance, international assignment management, global equity and payroll administration.
Introductions – Sharon Weglowski

• Sharon is a Global Mobility Specialist at Aviva Insurance

• Sharon is responsible for its North American global assignee program. Aviva is a UK company and the world’s sixth largest insurance group with 36,000 employees and 43 million customers in 21 countries.

• Prior to that, she spent most of her career with McDonald’s Corporation initially in Corporate Tax before moving to HR to become responsible for McDonald’s global assignee program.

• Sharon is an expert in workforce mobility issues with extensive experience in the Tax, Accounting, and HR implications associated with a global workforce and expatriates. She has consulted on complex compensation and benefit challenges across corporate functions and countries along with her finance expertise being utilized on HR projects involving RFPs, BPOs, and budgeting.
Introductions – Kathy Curtis

- Kathy is a Senior Manager of Global Relocation and Cisco Systems, Inc.

- Prior to joining Cisco, Kathy was the SR Global Mobility manager for Flextronics International USA. Prior to joining Flextronics, Kathy was a partner in Transition Solutions Group, a consulting/auditing company working exclusively with corporations. Kathy was also at GMAC Global Relocation Services, KPMG LLP and Worldwide Relocation Manager for Apple Computer.

- Kathy has over 30 years in the global mobility arena with experience on both the service and corporate side.
International Relocation: The Policies
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Domestic vs. International

Domestic Relocation
- Mileage Expenses
- Auto Transport
- Resettlement Allowance

International Relocation
- Shipment of Household Goods
- Storage
- Temporary Living
- Home Sale Assistance
- Home Purchase Assistance
- Lease Cancellation
- Destination Services
- Education Expenses
- Cultural Training
- Language Training
- Loss on Sale of Auto
- Relocation Allowance
- Rent / Utilities

Resettlement Allowance
International Relocation: The Policies

The Most Common Types of International Assignments

Long-Term
- Over 1 year on assignment
- Typically 3-5 years
- Typically will have the most robust policy

Short-Term
- Starts at 3 or 6 months or up to 1 year on assignment
- Important to monitor duration of assignment
- Typically will have a scaled down policy

Permanent Transfer
- Indefinite duration
- Similar to a domestic move
- Typically treated as a local employee with some additional benefits to assist with transition

Short-Term Business Traveler
- Up to 3 or 6 consecutive months
- Typically treated as regular business trips and follow company travel policies
- Important to monitor travel days
International Relocation: The Policies

Common Policy Provisions for International Assignments

**Pre-assignment**
- Pre-assignment visit
- Destination services
- Medical exam
- Work permit
- Cultural training
- Removal costs
- Temporary accommodation
- Relocation allowance
- Travel to host location

**On Assignment**
- Language training
- Storage
- Annual medical exam/Medical costs
- Bonus/incentive
- Pension
- Tax payment
- Rental accommodation
- Utilities
- Transportation
- Education
- Home leave

**Local Benefits**
- Medical/insurance premiums
- Social club membership
- Health club membership
- Spousal support services
- Special awards (anniversary, holiday)

**Repatriation**
- Post-assignment visit
- Repatriation allowance
- Travel to home/sequential assignment
- Severance/non-compete payments
- Outplacement services
International Relocation: The Process
International Relocation: The Process

International Assignment Lifecycle

- Repatriation timing
- Transfer to domestic payroll status
- Repatriation initiation
- Home Purchase Assistance
- Tracking repatriated employees

Repatriation/Post-Assignment Services
- Assignment plan
- Assignment compensation / benefits policies
- Cost Estimates
- Re-entry planning

Assignment Planning
- Assessment and selection
  - Look-see trip

Assignee Selection
- Assignee orientations
- Immigration and visa coordination
- House hunting trip
- Home Sale Assistance
- Cultural Training

Assignment Start Payroll Initiation
- Transfer to international payroll status
- Begin assignment allowances
- Destination services
- Tax entrance meetings
- Country entrance procedures

Pre-Departure Services
- Assignment plan
- Assignment compensation / benefits policies
- Cost Estimates
- Re-entry planning

Ongoing Assignment Administration
- Home / host payroll coordination
- Third-party vendor management
- Policy administration
- Assignee and management reporting
- Language Training

Year-End Compensation and Tax Preparation/Consulting
- Home Purchase Assistance
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International Relocation Policy Process
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Rouge Movers
- Influx of “rouge movers” offering low rates with no in-home visit
- AMSA has worked to establish “ProMover” standards in order to help consumers

Short Term Assignments
- To control costs, increasing use of short term assignments - i.e., less than one year.
- What happens if becomes long term? Housing? Taxes?

Localizations
- Many companies are looking at localizations of expatriate employees as a means of reducing costs
- Expatriates on assignment for more than 3 years, may be transitioned to a local employee status, phasing out expatriate benefits
- Permanent transfer assignments are also becoming very common

Home Sale/ Purchase
- Ability to obtain mortgages in host country
- Tax issues – e.g., can have a loss on sale and yet still pay tax due to currency gain
International Relocation: The Politics

Expansion in Asia Pacific

• Challenges across the region

Vietnam

• Imposed penalties on companies that employ illegal foreign workers, however has done little to deter this from reducing this practice due to the light fine
• This penalty has been intentionally kept low to avoid driving foreign investors away
• However, the Vietnam Employment Department is looking to tighten laws so foreign workers hired only when there are no qualified local candidate
International Relocation: The Politics

Brazil
• World’s 6th largest economy has resulted in the need for skilled workers
• Shortage of qualified professionals estimated to be between 200,000 – 400,000
• Immigrants from the US and Europe to fill the gap

Saudi Arabia
• Began enforcing the fingerprinting of expatriate women in the country effective March 31st
• First phase of a countrywide effort to register the fingerprints of all expatriates
• Amongst other goals, this is meant to reduce the illegal overstay of expatriates

US – Mexico Border
• Private security companies in Texas are reporting an increase in demand for services from owners of US and Mexican firms who want protection while traveling to Mexico.
• Mexican citizens that have relocated to escape drug violence in Mexico are also requesting private security detail.
Questions?
Contact Us

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