

Permanent International Relocation Policy



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1 Introduction

[Global Company Name] recognises that to achieve continued growth and success, we need to promote the transfer of ideas, best practices and leadership, and share client and customer contacts on a global level. Despite technologies to connect our employees on a daily basis, there are circumstances where it is desirable to physically move an employee to another country to meet the challenges of a new role and deliver successful projects. [Global Company Name] has developed policies and processes to enable [Global Company Name] to move its employees, across borders and continents. The permanent international relocation policy is part of the portfolio of policies to govern the relocation of employees abroad.

International relocations are integral to the success of a global organisation. The ability to move our employees between countries quickly, compliantly and cost effectively with minimal upheaval to the employee contributes to the continued growth of our business. This policy has been developed to enable our best and brightest employees to make this permanent work place change swift and effective and settle them in their new role and environment as efficiently as possible.

1.1 What is a Permanent International Relocation?

A permanent international relocation is when an employee accepts the offer to permanently transfer their work location to another country and physically relocates their family and home to take up this new employment. A local assessment has already taken place to source an employee locally but the specific skill set, experience, competencies of the employee mean that they are the right choice for the relocation.

1.2 What is the Purpose of the Policy?

The purpose of the policy is to give clear guidance on the employment agreement between [Global Company Name] and employee for the preparation, relocation, and settlement to the new permanent international location.

This policy applies to all employees within [Global Company Name] who are selected to undertake a permanent international relocation.

1.3 What does the Policy Cover?

This policy covers the benefits and financial support provided by [Global Company Name] to support the employee and their accompanying family to permanently relocate to a new country. It covers pre-relocation selection, preparation for the relocation to relocation assistance and settlement. This policy should be read in conjunction with the employee's new employment contract terms and conditions.

1.4 What are the Objectives?

The key objectives of [Global Company Name's] long-term international relocation policy are:

- Global approach – apply the same policy across all relocations regardless of home or host locations
- Simple to administer, easy to understand
- Fair and Consistent – all employees at the same grade are treated the same
- Cost effectiveness – supports the additional costs of the employee using tax efficient applications; not just a lump sum payment approach

2 Eligibility

2.1 Who is Eligible?

All full-time permanent employees of [Global Company Name] who are requested by their employer to undertake a relocation to another country are covered by the permanent international relocation policy. In some cases, the individual's level of experience and years of service with a company may impact the ability to apply for the employee's work permit. The host country immigration laws may restrict the application of a work permit for someone who has limited experience in their field of expertise and has not been employed with [Global Company Name] for very long. The host country immigration legislation ultimately determines if the employee is eligible for a permanent international relocation in the host country.

2.2 Who is not Eligible?

This policy does not apply when an employee makes a personal request to relocate or be assigned to another country.

This policy does not apply when an employee is temporarily assigned to another country for a fixed period of time.

This policy does not apply when an employee permanently transfers to another company site in the same country.

3 Policy Selection and Interpretation

All policy interpretations will be provided by the host country HR Manager. All decisions around the applicability of policy will be provided by the host country HR Manager.

[Global Company Name] may change or revise this policy and practices from time to time. The contents of the policy shall not be interpreted as creating an employment agreement or contract with an employee.

This policy will supersede any verbal or written statements made on international relocations within [Global Company Name].

3.1 Cash in Lieu

International relocations are a high-cost employment arrangement for any company. They are a necessary and worthwhile investment in our employees and the future of the business. The policy details and allowances have been developed to address the specific additional costs associated with a relocation to ensure that the employee is not financially impacted by accepting the relocation.

In keeping with the spirit of the policy, the employee is expected to work with [Global Company Name] to minimize relocation costs where possible. The employee should make the same cost-efficient decisions as they would if they were spending their own money. This means that if the spend on an item is less than originally budgeted, there will be no cash in lieu of the saving made to the employee.

If an allowance is not required by the employee due to personal circumstances, the benefit no longer applies. The employee does not have the option to receive the value of the benefit in cash. For example, if a shipment of goods is not required the employee does not have the option to receive a cash sum equivalent to the cost of transporting goods to the host country.

3.2 Authority to Approve Exceptions

In exceptional circumstances there may be a request relating to a relocation that is different to the policy. An exception to any provision of this policy may not be made without advance approval. All applications for exceptions must be made in the form of a business case to the host country HR Manager who will seek approval from the Global HR Leader. This decision will be final.

4 Definitions

The following terms are used throughout the body of this document, and the meaning of each word is described below.

Home country; home location - the country where the employee is permanently leaving.

Host country; host location - the country that the employee is permanently relocating to.

Permanent International Relocation - the permanent move from the home country to the host country. The home employment contract finishes and the employee commences a permanent employment contract in the host country.

Employee - the employee who is taking the permanent international relocation

[Global Company Name] - the Employer. This is where the company name should be inserted into the document

Home country HR - the HR Manager who is currently responsible for the employee's employment contract.

Host country HR - the future HR Manager to the employee and the contact person in the host country who is facilitating the permanent international relocation.

Geography - the same region of the globe. The geographies in [Global Company Name] are EMEA (Europe, Middle East, Africa), Asia (India, China, South East Asia), and Americas (North and South America and Canada)

Dependants – For the purposes of this policy, a dependant is a relative who lives with the employee in their principal residence, prior to the relocation. This includes spouse, children, step-children (if they are the legal and financial responsibility of the employee), or long-term partners (of same or opposite sex). The age limit for a dependant child is 21 on the basis that they are fully able-bodied, able-minded individuals. If the dependant is physically or mentally disabled then the age limit does not apply.

Please note: whilst the policy may recognise the above as eligible accompanying dependants, the host country may limit or prohibit the ability to acquire the residency visas for anyone other than a legally recognised spouse. The host country HR Manager will assess the immigration restrictions if any, and inform the employee prior to making the decision to accept a relocation on whether there are any immigration limitations to potentially accompanying family members.

5 Conditions of the Policy

The conditions of the policy are that the employee resigns from their home country employer and permanently transfers to their new employer in the host country. The employee transfers to the headcount and payroll of their new employer and receives a new base salary and compensation package in accordance with the host country market standards for their grade. The employee receives a new employment contract. The salary package will be different. The grade and job title may or may not change dependent upon whether the relocation involves a change in role and responsibility, and/or a promotion. The employee is governed by the host country employment/labour law as from the start date of their employment contract.

5.1 Continuity of Years of Service

In general, [Global Company Name] years of service are recognised when an employee transfers from one [Global Company Name] to another [Global Company Name] site. This means that in the host country employment terms the total years of service will be used to calculate any time related benefits. Examples of these maybe paid time off entitlements, employer pension contributions, severance calculations, years of service awards etc. In all cases the total years of service with [Global Company Name] are incorporated into the new host country employment contract, and the host country employment terms are calculated using this full service history with the company.

The only exception to this treatment is when there are restrictive labor laws in the home location; that cannot recognise the transference of an employee. Home country restrictive labor laws may mean that concluding the home employment contract results in a severance payment being legally due to the employee. Only under these circumstances, will a severance payment be made to the employee based upon their years of service with the home country company. The years of service with the home country company will NOT be carried over into the new host country employment contract.

5.2 Paid Time Off

Paid time off should be fully used prior to the relocation. Unused paid time off cannot be carried over to the host country contract. If the paid time off entitlement is not fully used prior to the relocation the employee will received a payment equivalent to the unused days.