WHRGlobal
EMPLOYEE RELOCATION

global mobility benchmark

2020



Table of Contents

Key Takeaways....4

About the Respondents....5

The Data

- Home Sale....6
- Rental Assistance....14
- Destination Services....17
- Household Goods....23
- Lump Sum....27
- Cost of Living Assistance (COLA)....32
- International....36

Tax Reform....48

Trends....50

2020 has been unprecedented with issues from a global pandemic, closing of country borders, massive unemployment, working from home, and long-term hybrid work policies. Instability seems to be a common theme, but history tells us we will get through all of these issues and better days are ahead. Our clients are continuing to develop and execute their business plans and have not stopped relocating their staff to strategic locations to meet job demands.

In the midst of all this unrest, we embarked upon another benchmarking campaign. We surveyed multiple companies in a variety of industries to get their perspective and to understand what they were adopting, changing, or eliminating when it came to their relocation policies. We are pleased to provide the results of this survey and would be happy to discuss the findings or provide any clarity you desire. If you have comments or questions, please direct them to Ben Koceja and Linden Houghtby and they would be happy to explain in further detail.

Thank you, and we hope you enjoy the data within this benchmark.



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About WHR Global

WHR Global (WHR) is a privately-owned, client-driven global relocation management company distinguished by its best-in-class service delivery and cutting-edge, proprietary technology. With our passion of Advancing Lives Forward™, we have seen many great successes.

1994

WHR Global is proudly celebrating 25 years in business

2

Opening 2 international locations in Switzerland & Singapore

100

We relocate employees to over 100 countries annually

Key Takeaways

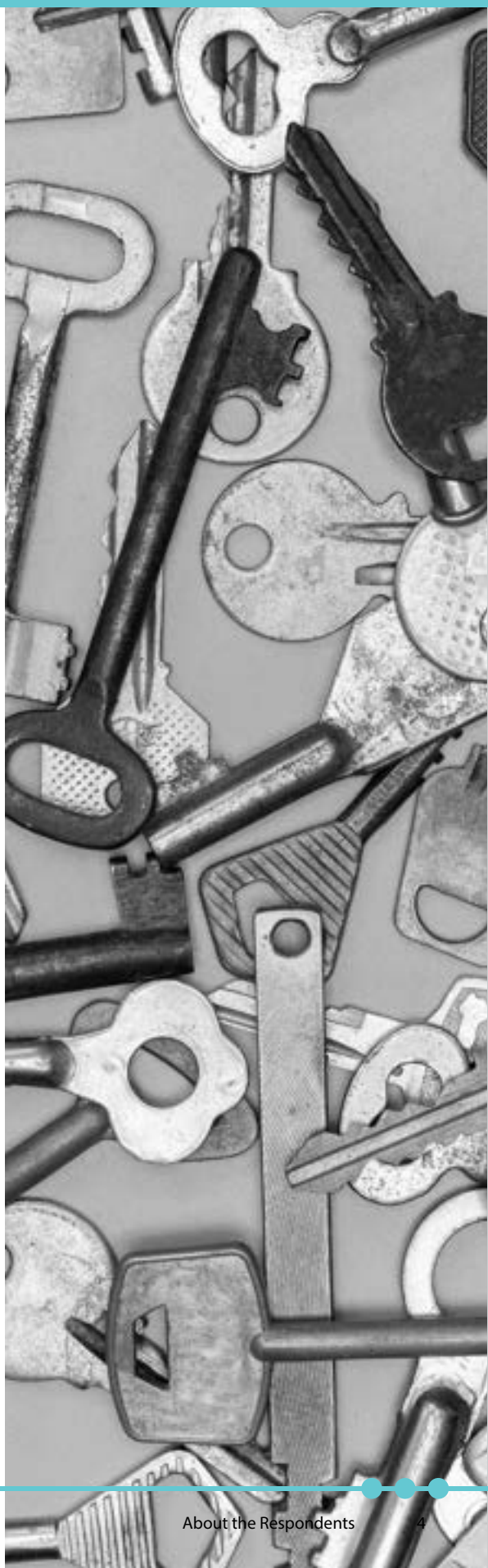
1. Relocation benefits are still robust, even considering the COVID-19 pandemic.

2. It is commonplace within the industry to provide tax assistance to those benefits now deemed taxable - e.g., moving expenses.

3. Homesale benefits (e.g., guaranteed buyouts, buyer value option, and direct reimbusements) are still the norm.

4. Lump sums are trending, but are used most commonly as a compliment to fundamental relocation benefits versus a standalone benefit package.

5. A large number of companies that participated in our survey are located in the Midwest.

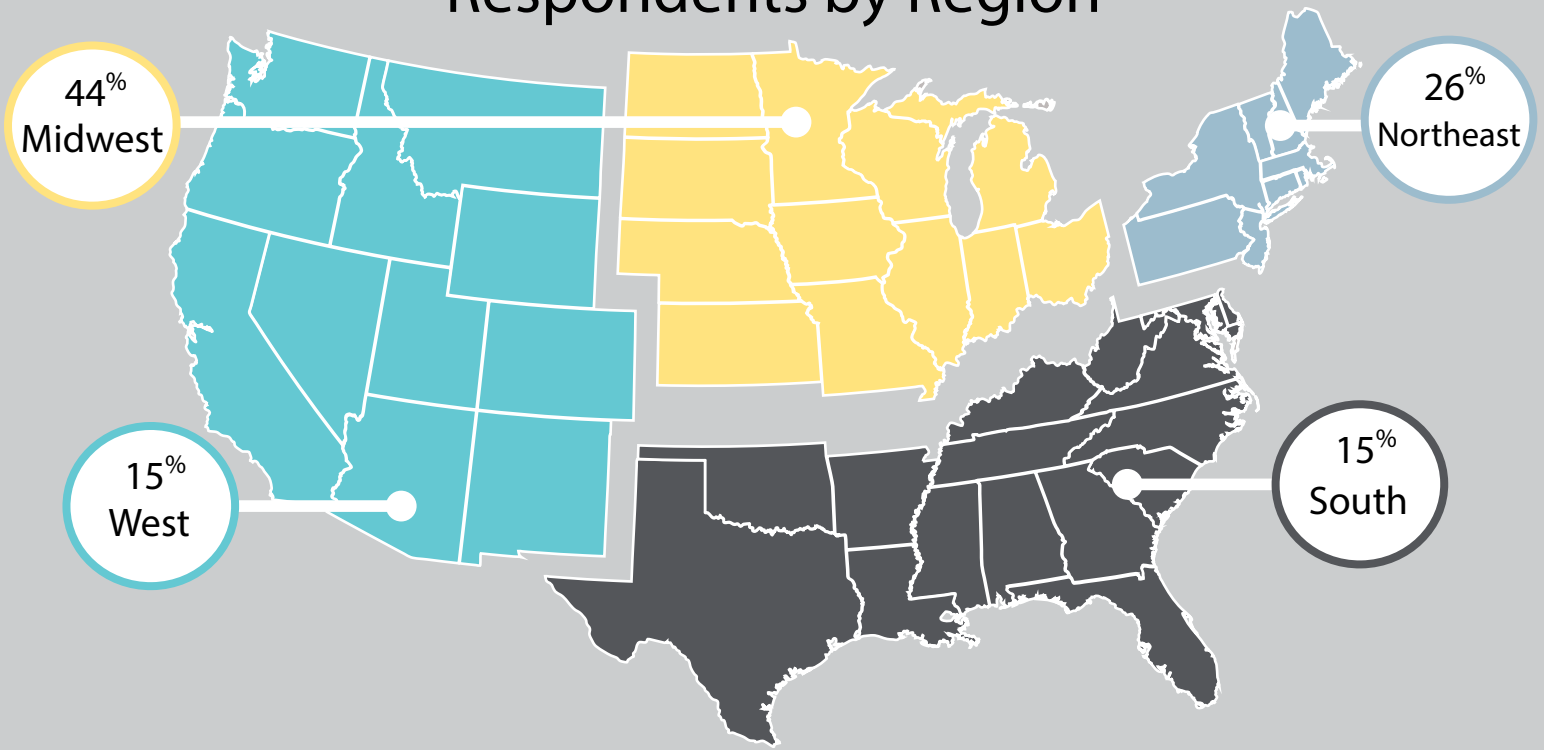


About the Respondents

Thank you to everyone who participated in this year's global mobility benchmark study! We wouldn't be able to share this great data without you.

WHR invited hundreds of the largest, most successful companies with locations around the United States to participate in this year's benchmark study. We had the pleasure of working with professionals from many departments including mobility management, talent management, benefits & compensation, and human resources.

Respondents by Region



Respondents by Industry

Manufacturing	21%
Food & Beverage	15%
Consumer Goods	15%
Other (agriculture, utilities, media, etc.)	15%
Insurance	11%
Pharmaceutical	9%
Healthcare	6%
Government	6%
Financial Services	2%

Respondents with International Programs



57%

of our respondents offer an international program.

the data



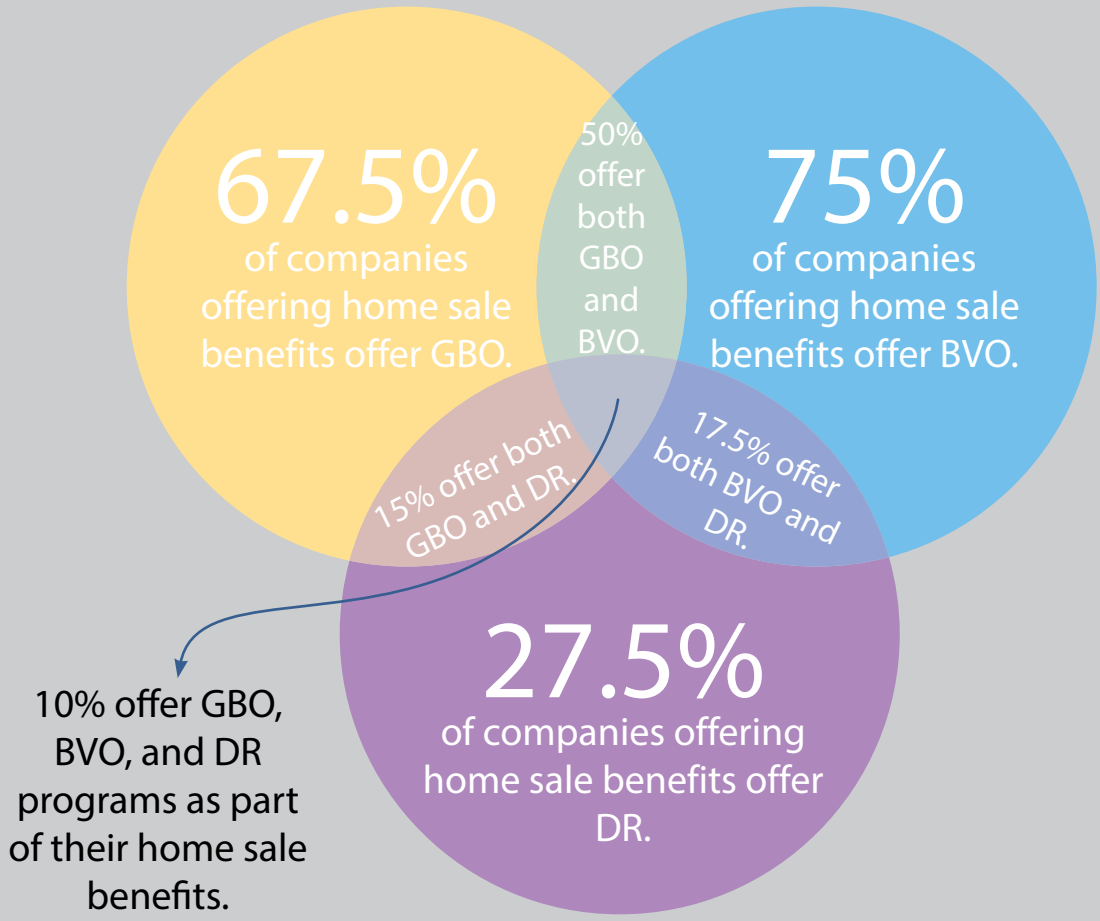
home sale

Congratulations! You just found the perfect external candidate, but they currently live out of state. Or maybe the best fit for the role was an internal candidate, but now you need to transfer them to a different office across the country. Whatever the situation might be, a home sale assistance benefit can help to remove the stress and anxiety from the employee relocation process. Most often, this assistance includes matching your employee with a local real estate agent, covering commissions and closing costs, assisting them through the inspection and appraisal process, and sometimes providing additional incentives to help sell the home as soon as possible. There are different approaches your team can choose to take as it relates to home sale benefits, and each have their own cost and tax implications that we will review together below.



85%
of respondents offer some form of a home sale benefit to their transferees.

Breakdown of the types of home sale benefits our respondents offer their transferring employees.



Guaranteed Buyout (GBO)

A GBO is one of the richest and most risky benefits a company can offer a transferring employee. It guarantees a home sale for employees based on appraisal value. However, the risk associated with this type of home sale, considering the employee's home could potentially be taken into inventory to be resold, may not be the best option for your relocation program. Of respondents that offer home sale benefits, 67.5% offer a GBO.



Of companies that offer GBO's

Only 37% of companies offering GBO's give them to non-executives.

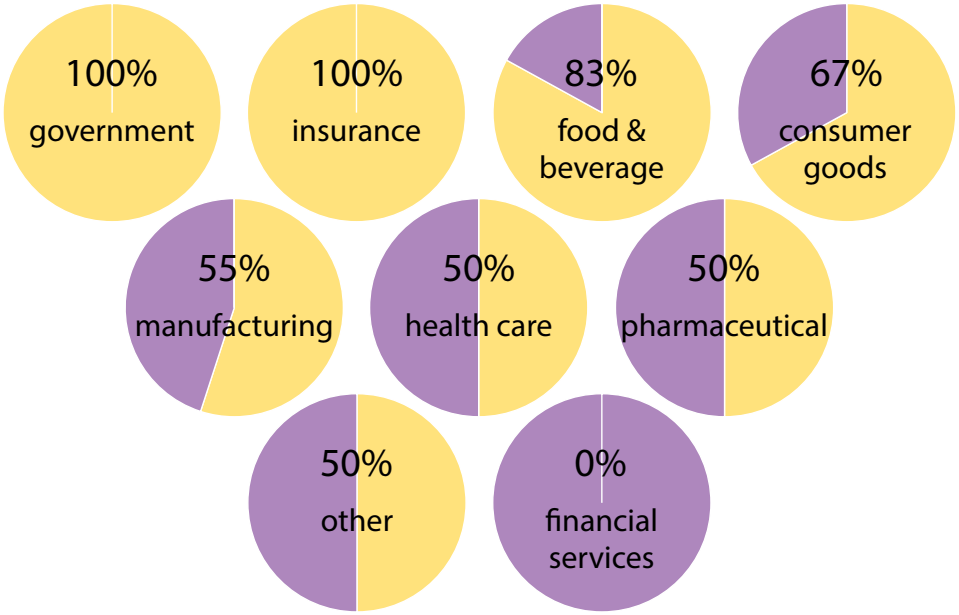
Pros of a GBO

- Tax advantage for your company and your relocating employee
- Appraisals completed by two qualified appraisers to ensure your company is offering a competitive home market price
- The guaranteed offer expedites the relocation process and allows the employee to relocate to their new location faster

Cons of a GBO

- The company takes on the risk of owning and maintaining the home until the home is sold to a buyer

These are the industries that offer GBO's

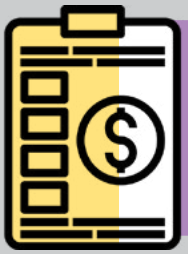




GBO Only Requirements

Appraisals for a GBO

Appraisals are used to set the offered price for an employee's home by averaging two independent appraisals if values are within 5% of each other. These can be done upfront or delayed.



70%
of respondents who offer a GBO program order the appraisals upfront.

For delayed appraisals, respondents' answers varied. Some delay the appraisals for as few as 30 days and others delay to 90 days.

Pros of an Upfront Appraisal

- Most employee friendly approach
- Gives transferees piece of mind earlier in the relocation process

Cons of an Upfront Appraisal

- Does not allow time for the employee to try and sell their home to an outside buyer before appraisal process begins to establish GBO

Pros of a Delayed Appraisal

- Encourages the employee to sell their home to an outside buyer
- Limits company risk as they are not extending an offer unless the home hasn't sold in the initial listing period

Cons of a Delayed Appraisal

- This can add stress to the process for employees as they don't know what their home will sell for
- Can lead to transferees delaying purchasing a home in the new location and delay employees being productive in their new roles

Home Marketing Period for a GBO

A mandatory home marketing period is often a requirement of transferees before eligibility to execute their guaranteed buyout in a GBO benefit package. Most employers want the transferee to put their home on the market for a set time period before purchasing the home from the employee.

96%
of respondents that offer a GBO require a home marketing period.



Of respondents that require a home marketing period, the majority listed 60 and 90 days; with others as low as 30 days and some up to 150 days.

Buyer Value Option (BVO)

A BVO is a great benefit to offer your relocating employees without the company risks of a GBO. With a BVO home sale program, the company *only* purchases the employee's home if they secure an outside buyer first. Of respondents that offer home sale benefits, 75% offer a BVO.



Of companies that offer BVO's

While only 60% of companies offer BVO's to executives.

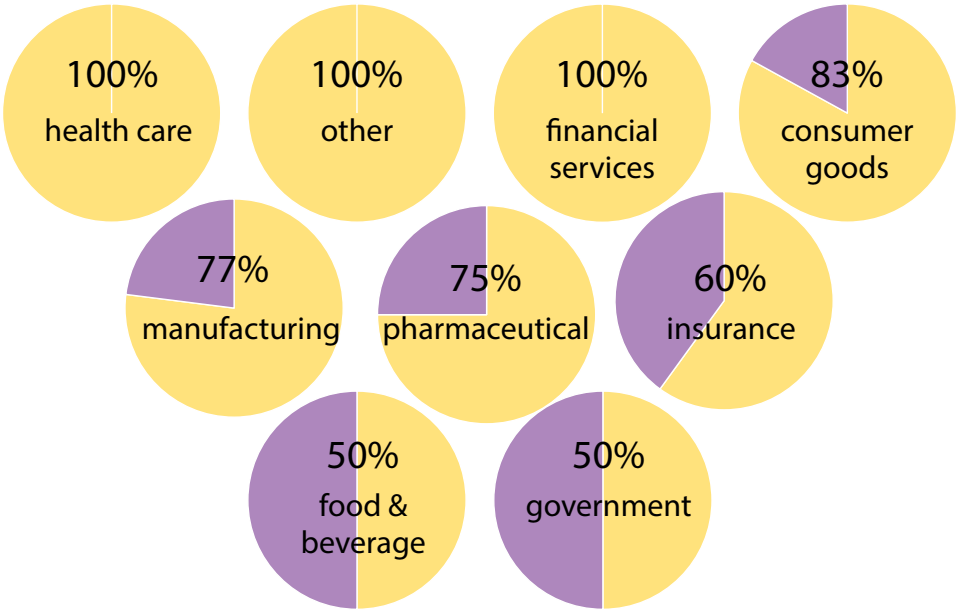
Pros of a BVO

- Tax advantage for your company and your relocating employee
- Employee not required to attend closing
- Broker Market Analysis completed by two qualified real estate agents to establish an appropriate marketing parameter

Cons of a BVO

- Home sale could fall through, resulting in the home going into corporate owned inventory
- The employee remains financially responsible for their home until an outside offer is accepted which can delay their move to the new work location

These are the industries that offer BVO's





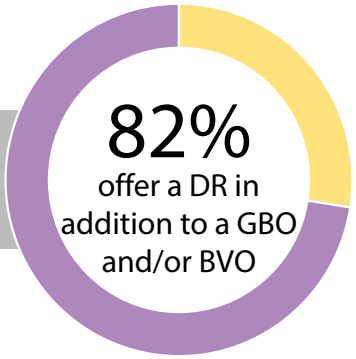
Direct Reimbursement (DR)



With a DR program, your employees are responsible for selling their homes on their own. They will need to secure the buyer, as well as pay closing costs and commission fees up front. You may then reimburse the employee all or part of these costs depending on your relocation policy. Of respondents that offer home sale benefits, 27.5% offer a DR.

Of companies that offer DR's

Only 18% of companies that offer a DR have that as the only home sale benefit.



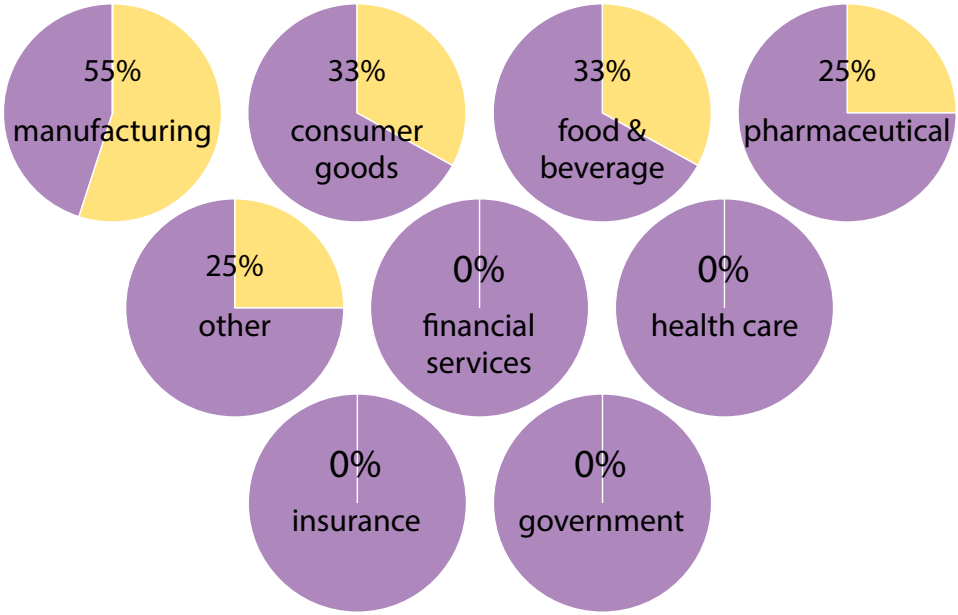
Pros of a DR

- No risk of bringing homes into company inventory

Cons of a DR

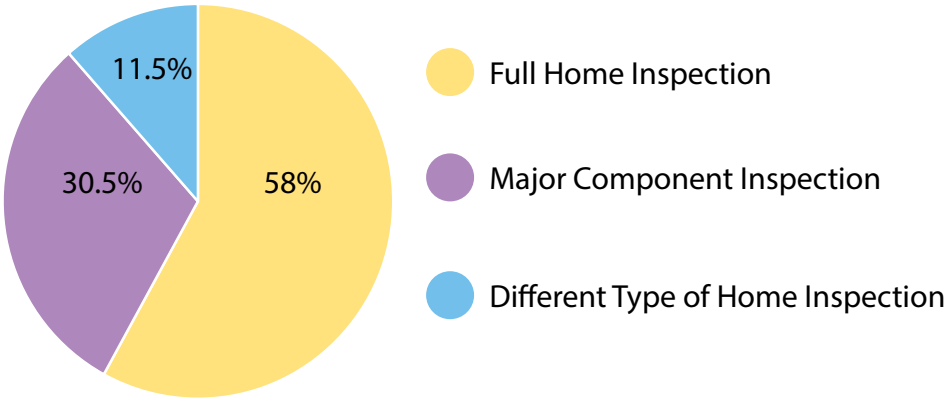
- No tax benefit for your company or employee
- Additional cost of gross up, if the reimbursement is grossed up by the company
- Employee responsible for all costs up front (closing costs, commission fees, inspections, etc.)

These are the industries that offer DR's



Home Inspections

90% of respondents that offer a home sale benefit also require a home inspection to be completed.



The full home inspection is still the most popular type of inspection completed by our respondents. That is followed by a major component inspection which has been gaining in popularity over the years. Other specific types of inspections noted by our respondents include:

- Pest/Termite
- Asbestos
- Stucco
- Well/Septic
- Radon
- Composite Board Siding

What is a major component inspection?

A reasonable alternative to full home inspections is a major component inspection. A major component inspection still captures the main items that can lead to large expenses but avoids smaller items that become frustrating to the transferee. Major component inspections can result in a more satisfying experience for the employee while still protecting the company from buying a home with major issues.

What will a home inspector look at during a major component inspection?

- HVAC System
- Roof
- Attic
- Floors
- Windows
- Doors
- Foundation
- Basement
- Interior Plumbing & Electrical Systems
- Structural Components

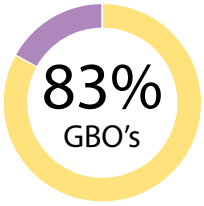


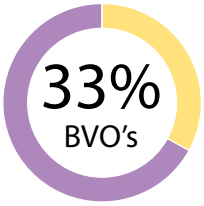


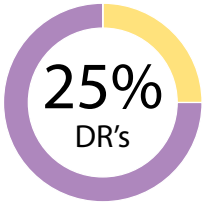
Home Sale Bonus

A home sale bonus is a popular benefit to offer as an incentive to have transferees sell their homes quickly. 60% of respondents that offer home sale benefits said they also offer a home sale bonus to some or all of their transferees.

Of companies that offer this bonus, these are the programs it is offered to







According to our respondents that offer this bonus, it is mainly calculated by a percentage (83%), followed by a flat dollar amount (17%).

68% of respondents cap this benefit. The majority (65%) of companies cap this benefit at $10,000. Other responses ranged from $12,000 to $30,000.

Loss on Sale

55% of respondents that offer a home sale benefit also offer a loss on sale to some or all of their employees. Companies are more likely to offer a loss on sale to an executive over a non-executive.

Of companies offering loss on sale

82% offer loss on sale to new hire executives and 50% offer this benefit to non-executives.



95% of these respondents also cap this benefit. The size of the cap varies from as low as $5,000 to as high as $100,000. The most common amounts were $25,000 - $50,000.


the
data
rental
assistance

Depending on location, lifestyle, and financial means, some of your employees will likely be renters versus homeowners. For renters, there are different benefits you can offer to help ease this transition and assist with some of the financial burdens that come with terminating leases early and finding a new place to rent in your employee's new destination. Providing your renters with a set of benefits tailored to their experience can help minimize stress related to their move and ease the transition into their new role.

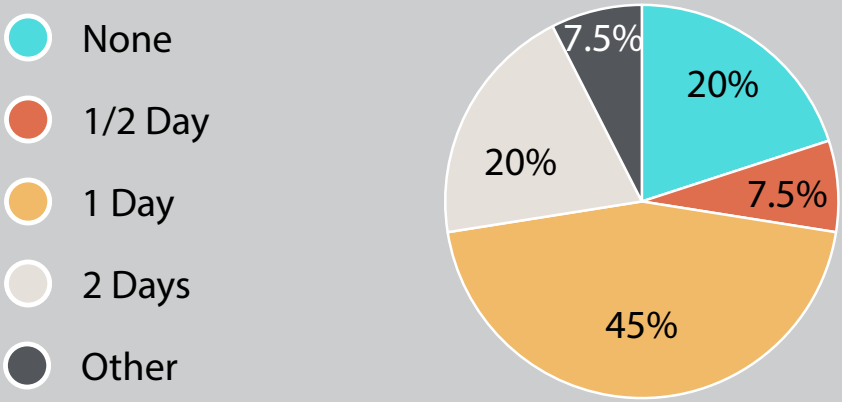


89%
of our respondents offer some type of rental assistance to their transferring employees.

79%
of respondents that offer rental assistance do not offer a rental finding fee when looking to rent in the new location.

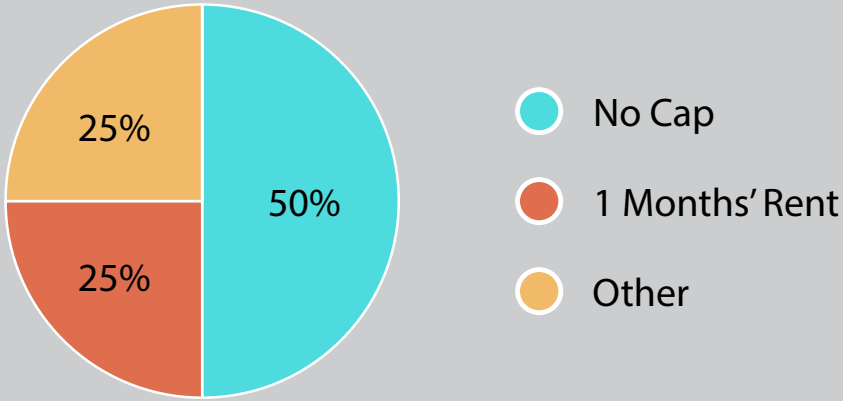


How many days of rental assistance do you offer for the rental search in the new work location?



Of respondents that offer a rental finding fee, is this benefit capped?

21% of our respondents offer a rental finding fee to their transferees. Of those who offer this benefit, 50% do not cap it. 25% cap this benefit at 1 month's rent and the other 25% of respondents have varied responses. Some allow up to $1,000 and other denominations while some respondents base it on days/hours of work.

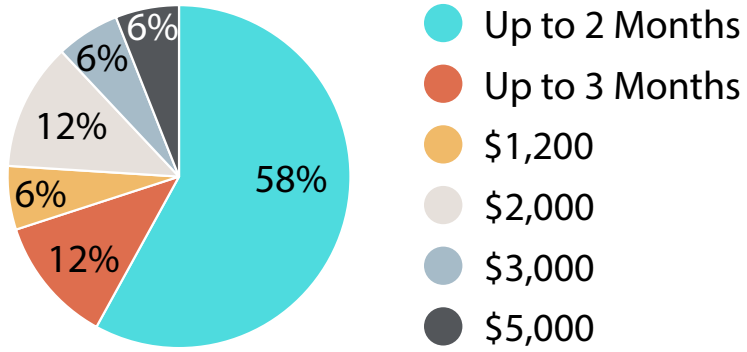


Lease Break

90%
of our respondents that offer rental assistance also offer lease break assistance.

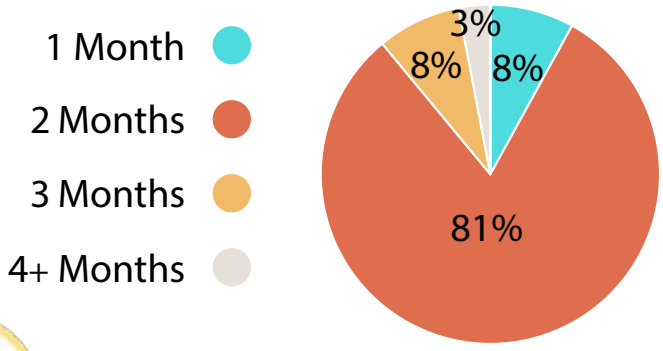
How Do You Cap Your Lease Break Assistance?

46% of respondents that offer lease break cap this benefit using either number of months (70%) or a dollar amount (30%).



How Many Months of Lease Break Assistance Do You Offer?

According to our respondents that offer lease break assistance (both capped and uncapped), this is how many months the benefit is offered to transferees.



Cost Saving Tip!

Placing caps on a lease break penalty assists in containing costs. Exceeding the caps can be done by exception which allows the client to control overall costs and can encourage employees to negotiate with their landlords for lower lease break fees.


the
data
Ontario
Niagara Falls
Buffalo
Rochester
Syracuse
Utica
Albany
Binghamton
Scranton
Newark
NEW YORK
Jersey City
Bridgeport
Williamsport
Allentown
Trenton
destination
services

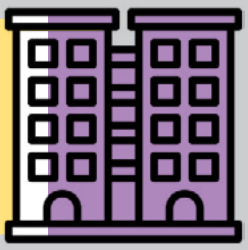
Moving to a new location can be overwhelming. Providing tailored destination service support can help ensure a successful relocation by smoothing the transition as employees and their families settle into a new location. These services can range depending on the need and program but may include area orientations, home finding trips, and different settling-in services.



94%
of respondents offer some type of destination services to their transferees.

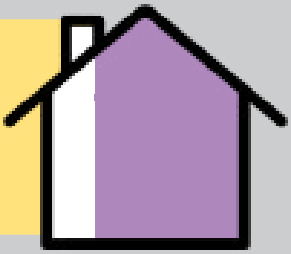
According to our respondents, destination services are the second most common benefit type given to transferees. This is only beaten out by household goods moves of which 96% of respondents offer.

91%
of respondents that offer destination services also offer temporary housing.



Temporary housing is the most common destination service that our respondents provide to their transferees. Every industry we surveyed has companies offering this benefit in some way.

86.5%
of respondents that offer destination services also offer a house hunting trip.



House hunting trips are a popular benefit to provide employees because they minimize uncertainty of moving to a new location while ensuring a smooth, cost-controlled relocation experience.



68.5%
of respondents that offer destination services also offer destination closing costs.

Many companies offer to cover destination closing costs to ensure their relocating employees are able to quickly find and close on a home in their new location thereby reducing stress for the transferee.



45%
of respondents that offer destination services also offer closing cost reimbursement to a current renter.

While less common, almost half of our respondents would reimburse closing costs of a current renter. This is less common due to the fact that many renters continue renting in their new location.

5%
of respondents that offer destination services also offer an incent to rent program.



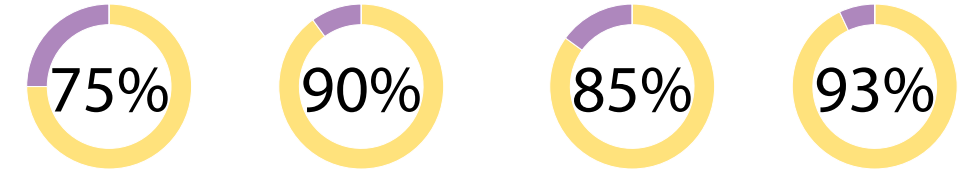
While not a common benefit, an incent to rent program gives current homeowners a bonus if they decide to rent in their new location instead of purchasing.

Temporary Housing



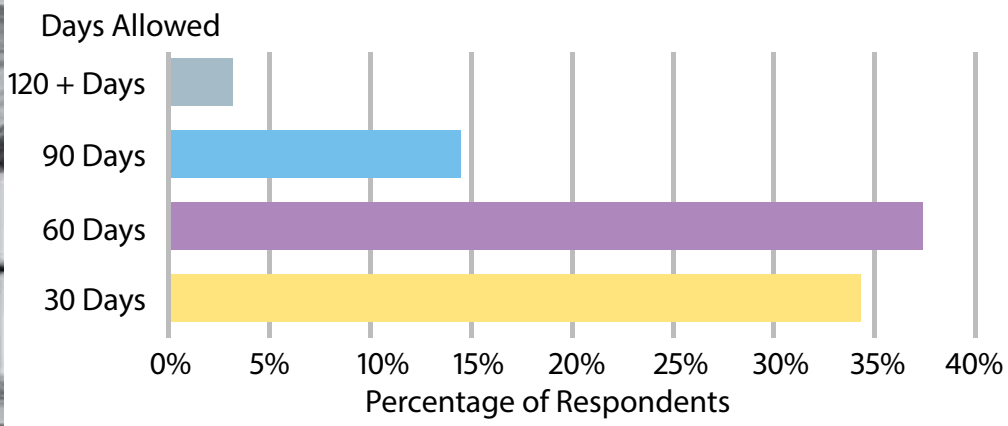
91% of respondents that offer destination services also offer temporary housing. Of the companies that offer this as a benefit, 85.75% offer fully furnished housing over non-furnished housing.

Of companies that offer temporary housing, these are the employee types fully furnished housing is offered to



What is your allowed length of stay?

Among the companies that offer this benefit, the most common lengths of stay are 60 and 30 days.



Do you offer meal reimbursements?

Among our respondents that offer a temporary housing benefit, meal reimbursement was split evenly whether it is offered or not. The per diem varied vastly among respondents. The amounts ranged from $25-$90 per day. Others require the costs to be considered "reasonable," and some base the amount of reimbursement/allowance on the destination location.

Cost Saving Tip!

If you provide fully furnished temporary housing, meal reimbursement does not need to be offered during their stay. This is because fully furnished temporary housing includes kitchens with pots/pans and utensils allowing your employees to prepare meals as if they were at home.

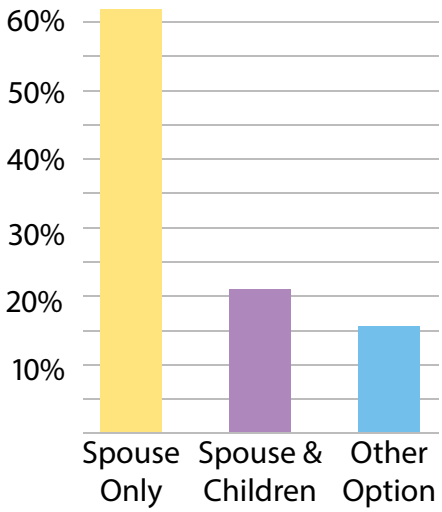
House Hunting Trip

Of respondents that offer destination services, 86.5% also offer a house hunting trip.

Who is allowed to go on this trip?

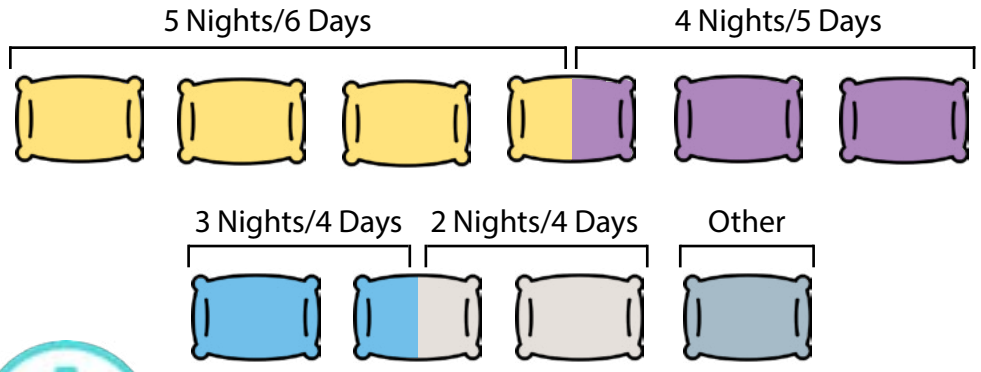
Of the respondents that offer this benefit, 63% allow only a spouse to join, 21% allow the spouse and children, and 16% allow other accommodations.

The other accommodations include issuing travel lump sums in lieu of reimbursements for actual costs or allowing employee reimbursement plus one guest regardless of marital status.



What is the most common length of stay?

According to our respondents, the most common length of stay is 5 nights and 6 days, though this does vary. Some programs offer as few as 2 nights and 3 days, and others offer as many as 9 nights and 10 days.



Relocation Tip!

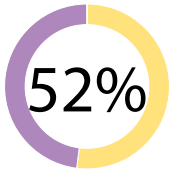
This benefit is typically offered to the employee as a reimbursement, meaning the employee fronts the cost of the trips. To help simplify this process, some programs offer a travel lump sum for the employee to book and pay for their own trips. This helps avoid the need for out-of-pocket employee expenses and can help control business costs, as the lump sum amount is set at the start of the relocation.

Destination Closing Costs

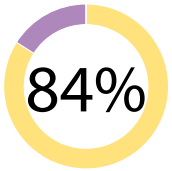


Of our respondents that offer destination services, 68.5% of them reimburse closing costs for transferees. New hire executives and existing executives are more likely than any non-executives to receive this benefit.

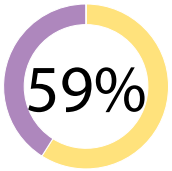
Of companies that reimburse closing costs, these are the employee types it is offered to



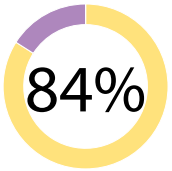
New Hire Non-Executives



New Hire Executives



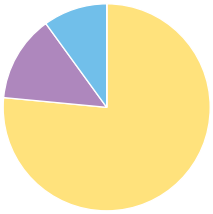
Existing Non-Executives



Existing Executives

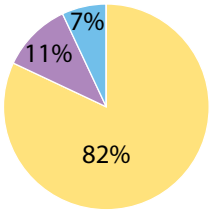
Do you cap your closing cost reimbursements?

- 76.5% do not cap this benefit
- 13.5% cap it with a percentage
- 10% cap it with a fixed amount

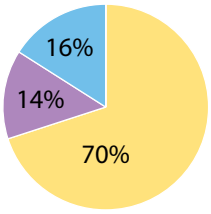


Employee types closing cost reimbursement is offered to

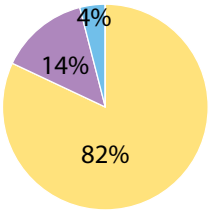
no cap | cap with a percentage | cap with a fixed amount



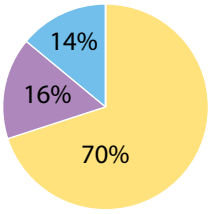
New Hire Non-Executives



New Hire Executives



Existing Non-Executives



Existing Executives

Cost Saving Tip!

Capping the support with either a percentage or dollar limit is a way to control costs for the taxable benefit, especially if providing tax gross up. This is especially helpful if you move employees to areas with very high cost housing options.

Renter Destination Services

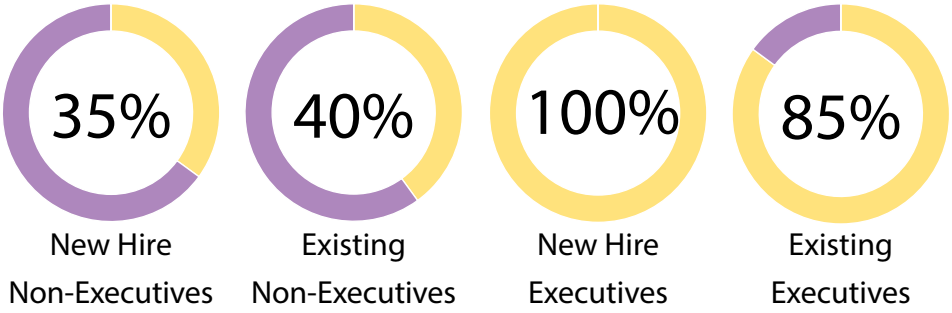
Closing Cost Reimbursement for Current Renter

We Asked:

Do you offer closing cost reimbursement to a current renter choosing to purchase a home in their new destination?

Of our respondents that offer destination services, 45% offer closing cost reimbursement to current renters that choose to purchase a home in the new destination.

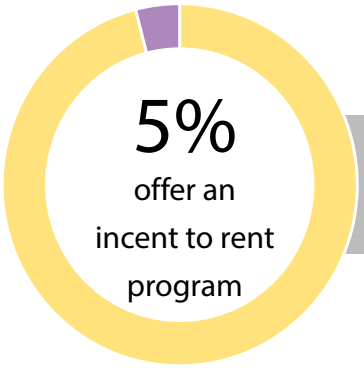
What tier(s) do you offer this benefit to?



Incent to Rent Program

We Asked:

Do you offer an incent to rent program to your transferees that are currently homeowners?



Of companies that offer destination services

Of the programs that offer this benefit, the majority only offer this to existing executives but some offer this benefit to all policy tiers.

While not a common benefit, an incent to rent program offers companies the ability to save significantly on future relocations. This benefit gives current homeowners a bonus if they decide to rent in their new location instead of purchase. This is commonly offered to employees who relocate frequently and allows the company to avoid paying closing costs on the new home purchase and avoid any future home sale costs.



the data



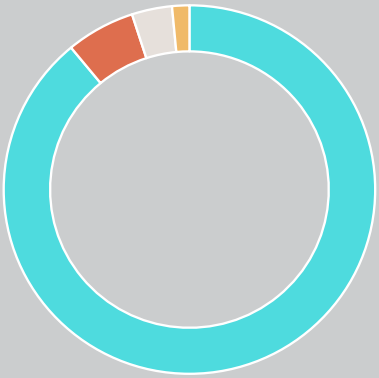
household goods

One of the most anxiety-inducing aspects of any move is the shipment of household goods. There are significant costs associated with moving an individual or family household and oftentimes this is the window within the relocation where the most issues and stress can surface. At all times, but especially at this step of the process, it is imperative that your RMC partner be proactive in their communications and create opportunities for live employee feedback to help mitigate any instances that will cause stress or frustration.



96%
of respondents offer some form of household goods moves to their transferees.

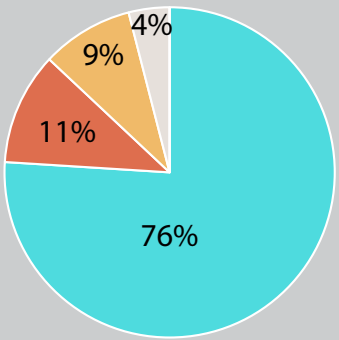
Of companies that offer household goods, what move types are given to employee types?



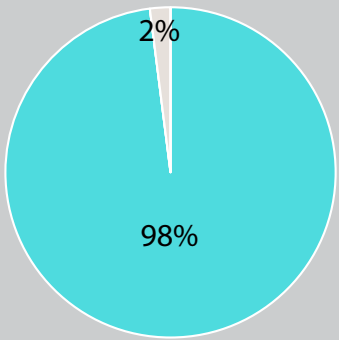
- 89% offer full-service household goods moves
- 6% offer self-haul household goods moves
- 3.5% offer no type of household goods moves
- 1.5% offer container household goods moves

What tier(s) do you offer this benefit to?

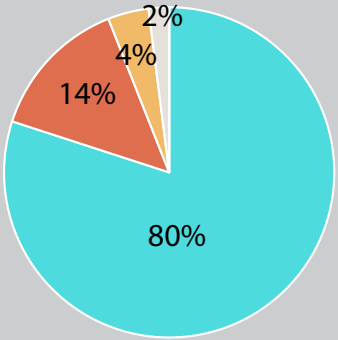
full-service · self-haul · no household goods moves · container



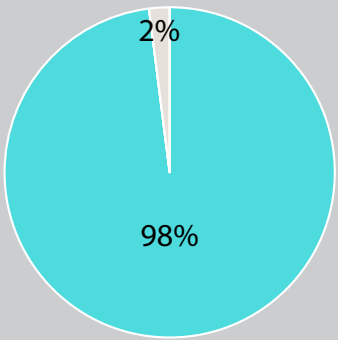
New Hire Executives



Existing Executives



Existing Non-Executives



New Hire Non-Executives

Vehicle Shipments



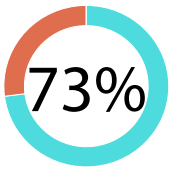
Of companies that offer household goods, how many offer vehicle shipments?

86% of respondents offer vehicle shipments

14% of respondents do not offer vehicle shipments



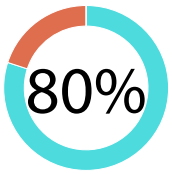
Of companies that offer vehicle shipments, these are the employee types it is offered to



New Hire Non-Executives



New Hire Executives



Existing Non-Executives



Existing Executives

Of the respondents who offer vehicle shipments, 57% of them allow up to 2 vehicles to be shipped per transferee. Shipments are typically based on distance, with the 500-mile requirement being a common threshold.

Do you offer shipment of other larger items besides vehicles?

Items that are included in this benefit are boats, motorcycles, riding lawn mowers, golf carts, etc. Most companies have size and property type restrictions.



Cost Saving Tip!

As of September 2020, the current IRS moving mileage rate is $.17/mile and the business travel rate is $.575/mile. Incorporating a mileage limit on covered vehicle shipments will save costs associated with providing this benefit. For updated mileage rates, please visit the IRS website.

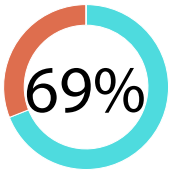
Temporary Storage

Do you offer temporary storage to transferees?

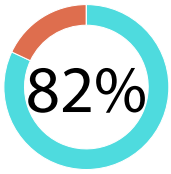


77%
of respondents that offer household goods moves also offer temporary storage to their transferees.

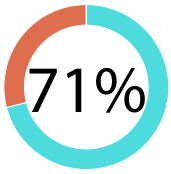
Of companies that offer temporary storage, these are the employee types it is offered to



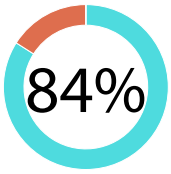
New Hire Non-Executives



New Hire Executives

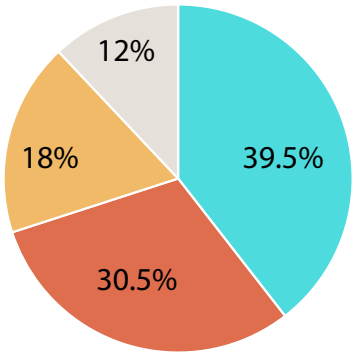


Existing Non-Executives



Existing Executives

How long do you offer temporary storage?





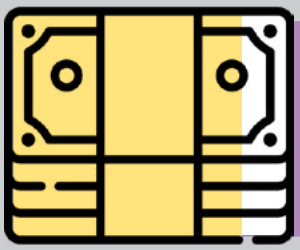
All employee levels receive 1-30, 31-60 and 60-90 days of storage almost equally. The major difference is for 0 days, which is given more to non-executives (new hire and existing).

Cost Saving Tip!

To assist with containing costs, storage should be allowed when the employee has not secured permanent housing in the new location but should not be part of the policy when an employee requests storage for personal reasons (e.g., buying a home that they want to update so their goods are placed in storage until the work is complete).

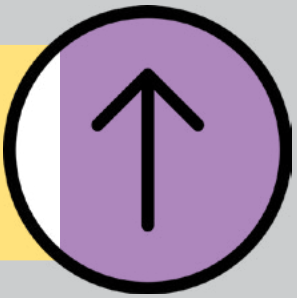

the data
lump sum

In more recent years, there has been growing interest and popularity around offering a full or partial lump sum policy to employees who are relocating. The lump sum approach can provide freedom and flexibility when it comes to your employee's move, but some employees may find this added freedom more stressful than helpful. Given the potential benefits and drawbacks using this approach, it is important to discuss all implications with your RMC partner and decide how a lump sum structure best fits within your relocation package and with your overall company culture.



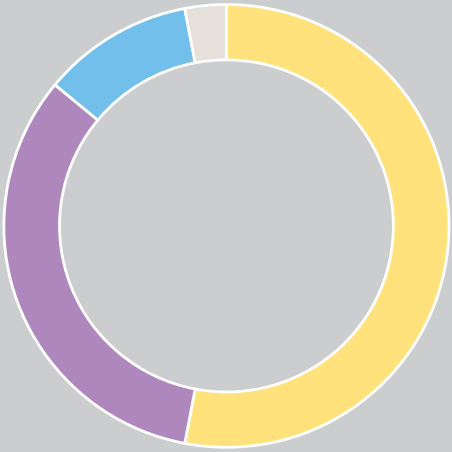
79%
of our respondents offer some type of lump sum program to their transferees.

78%
of our respondents that offer a lump sum benefit gross up that benefit.



Lump sums are becoming a trend within employee relocation. They offer flexibility and personalization to the transferee, and can provide cost savings or at least cost containment, plus easy budgeting and administration for the company.

There are many reasons why a company would offer a lump sum program to their transferees. We asked our respondents who offer this benefit what the intent behind it was?



- 53% of respondents offer a lump sum program for cost saving purposes
- 33% of respondents offer a lump sum program for employee experience purposes
- 11% of respondents offer a lump sum program for other purposes
- 3% of respondents offer a lump sum program for the ease on internal resources

For the respondents that said "other" for their intent behind the company's lump sum program, a few notable responses include:

- Market competitiveness
- A benefit for only entry-level hires
- Given to employees with less to move
- A benefit offered to participants in development programs that rotate locations frequently (yearly)
- For interns only

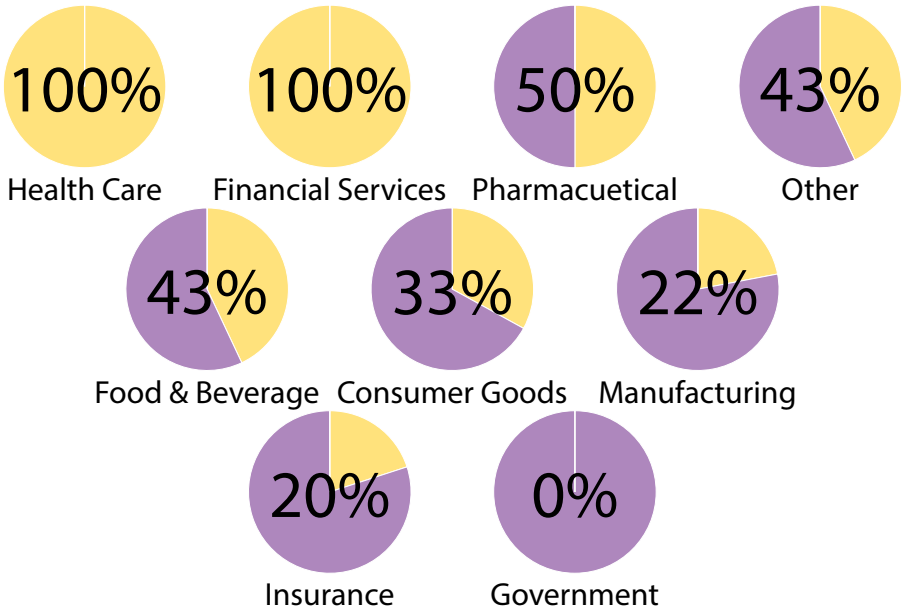
Lump Sum Only Benefit



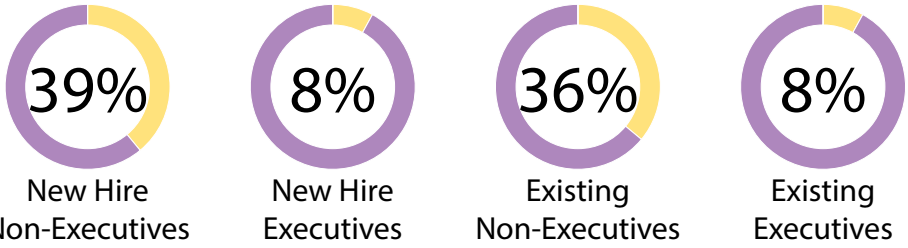
Of our respondents that offer lump sum programs, we asked them about three types of lump sum program options. A lump sum only with no counseling, a managed lump sum with counseling, and a lump sum in addition to other benefits.

A lump sum as an only benefit means the company writes a check to their transferee and lets them use that money however they would like to, as long as they complete the move to the new location.

Of companies that offer lump sums, what industries offer a lump sum as an only benefit?



Of companies that offer lump sums, who receives a lump sum as an only benefit?



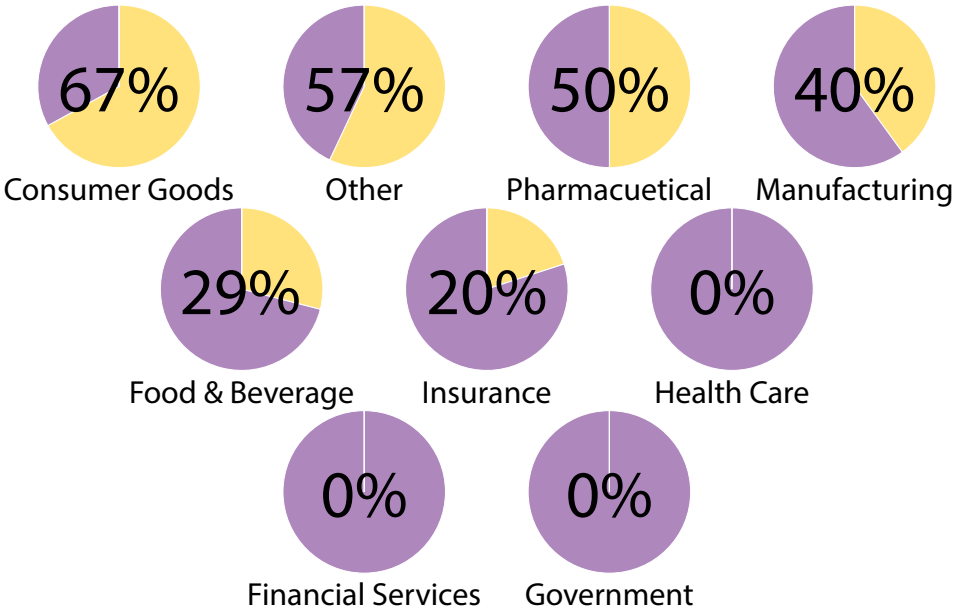
According to our respondents, a lump sum as the only benefit is given mainly to non-executives. This benefit is commonly used for recent college graduates or an employee participating in a rotational program that moves periodically during training.

Managed Lump Sum

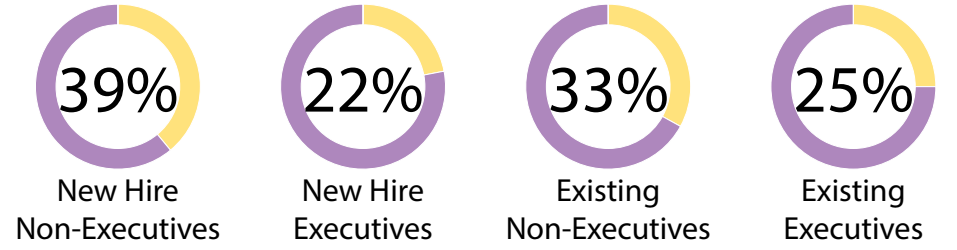
A managed lump sum with counseling allows the company to have some control over what the transferee uses their lump sum for but still allows employee flexibility. It also takes some of the stress off the transferee since they usually have access to the RMC's partner network.



Of companies that offer lump sums, what industries offer a managed lump sum benefit?



Of companies that offer lump sums, who receives a managed lump sum benefit?



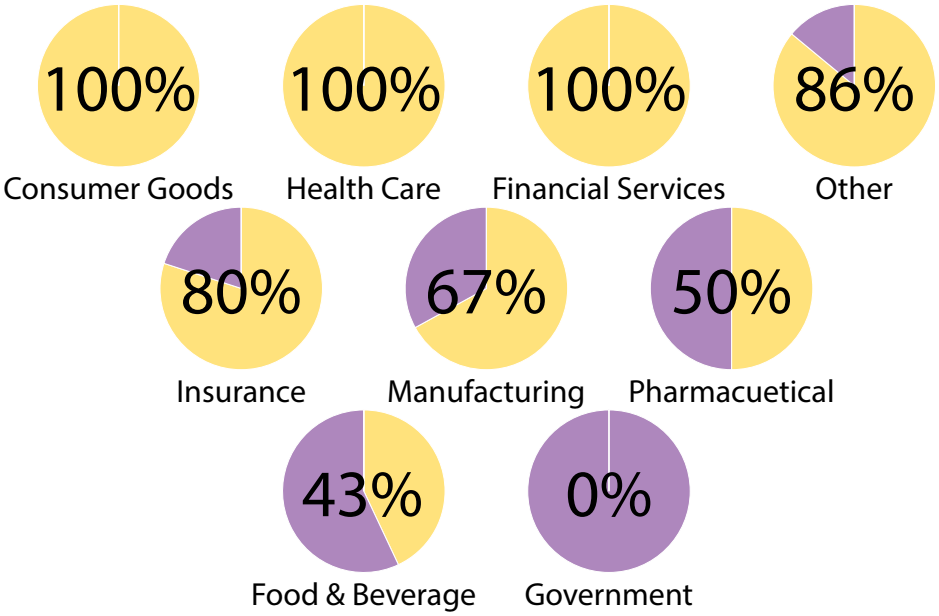
According to our respondents that offer lump sums, the managed lump sum with counseling is more commonly used than the lump sum as an only benefit. But this isn't the most popular use for our respondents. The most common use of a lump sum is a lump sum in addition to other benefits. This lump sum type is given mostly to non-executives, but executives receive this more than the lump sum as an only benefit.

Lump Sum in Addition

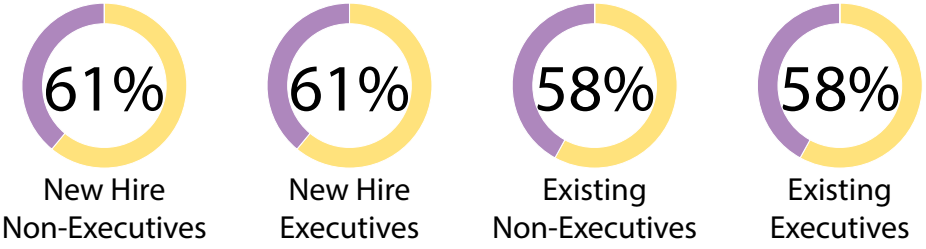


A lump sum in addition to other benefits is the most commonly used lump sum program according, to our respondents. This program allows companies to give benefits they see fit to their transferees by providing the addition of a lump sum for specific parts of their relocation. Not only does this allow for customization and personalization of each relocation, it allows the company to keep a better handle on costs of each relocation instead of offering a fully paid specific benefit.

Of companies that offer lump sums, what industries offer a lump sum in addition to other benefits?



Of companies that offer lump sums, who receives a managed lump sum benefit?



Of companies that offer a lump sum in addition to other benefits, what other benefits are offered?

72% include household goods moves, 44% offer temporary housing, and 60% indicated other benefits. Some of the other benefits include rental finding, family assistance, final move, lease break, and settling-in services.

the data



cost of living assistance

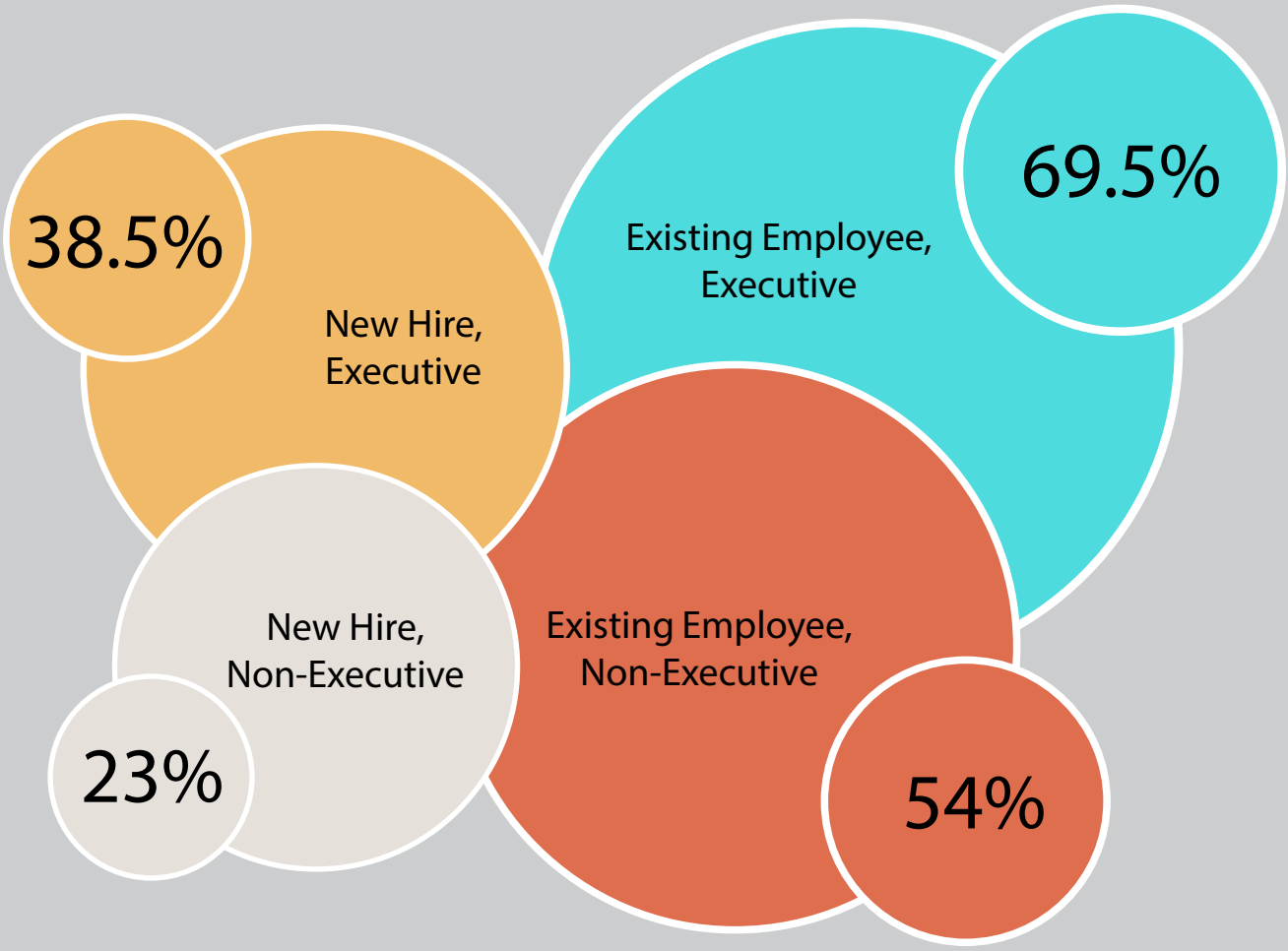
The cost of living in the new work location is an important consideration for any candidate looking to join your company. Depending on the particular relocation, the employee could be moving to a city with a lower cost of living which could be advantageous for them and their family; or the new location could pose a stark change to their accustomed lifestyle and your company might need to assist in this financial transition. Below are common COLA practices and tips on when assistance is needed and when your company may be able to lower costs.



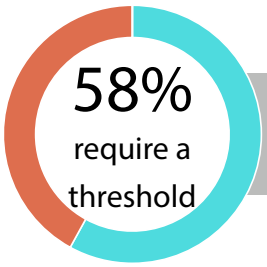
30%

of respondents offer cost of living assistance to their transferring employees.

Of companies that offer COLA, what employees receive it?



COLA Threshold & Payment



Of programs that offer COLA

The threshold is a percentage difference between the current and new location.

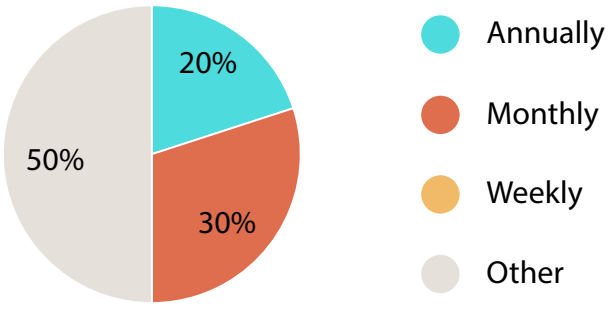
The threshold was listed as high as 33% and as low as 2%. The most common among our respondents was 5%.

Cost Saving Tip!

Some companies impose a threshold to pay out this benefit which helps reduce costs and avoids paying transferees who are moving to only slightly higher cost areas.

How do respondents that offer COLA pay it out?

There was a varied response to how COLA is paid out with respondents listing monthly, quarterly, annually, and lump sum options.



Respondents who selected other noted these as some of the ways they pay out COLA.

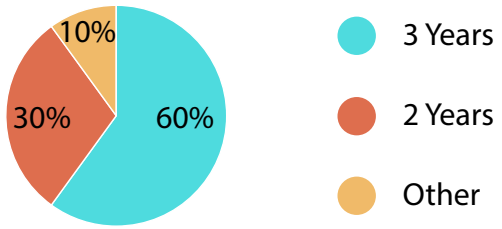
- Bi-annual
- Bi-weekly
- Varies by employee
- One time allowance

Relocation Tip!

We know administering COLA to your transferees can be a burdensome task. To make the process as easy as possible, we would suggest simplifying the cadence in which you pay out these benefits.

COLA Benefits Continued

How long do you offer COLA benefits for?

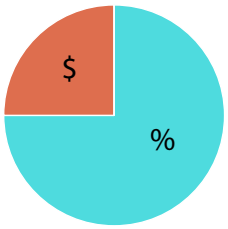


According to our respondents that offer COLA, 60% noted they offered this benefit for 3 years. That is followed by 30% offering COLA for 2 years, and 10% stated they use a different time duration. Some of those respondents noted this could be a one time allowance or it could vary by employee.

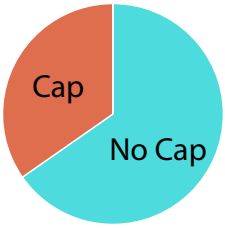


Do you taper off COLA benefits?

Two thirds of programs that offer COLA benefits choose to taper them over the course of the benefit. 75% of respondents taper this benefit by a percentage while the other 25% taper COLA by a dollar amount.



Do you cap COLA benefits?



Based on our survey results, it is less common to have caps for COLA benefits. Of respondents that offer COLA, only 36% cap this benefit and 64% do not.

Cost Saving Tip!

Only offer this benefit if the transferee is going to high-cost areas that are already defined in the relocation policy. For example, offer COLA if the transferee is moving to San Francisco, New York City, Toronto, Silicon Valley, or any other cities previously listed in your relocation policy. In addition, if a transferee is moving from one high cost area to another high-cost area, your company could choose to not offer this benefit.


the
data
international

2020 has been a year of new challenges in relocation, especially as it relates to international travel, immigration, and duty of care when sending employees abroad. It is more important than ever to stay abreast of changing policies and regulations, and to provide comfort and flexibility to your employees who are relocating internationally whether it is for a short-term, long-term, or permanent assignment.

About our international respondents:

57%
of respondents have an international program within their organization.

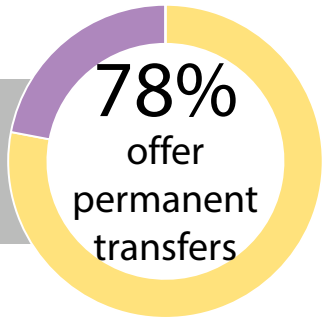
88%
have defined expatriate or international permanent transfer policies.

A majority (67%) allow for customization within the program by:

1. Country / Region
2. Employee Level
3. Move Type
4. Approval Process
5. Voluntary Move

Common Types of Transfers

Permanent transfers are being used by companies as a way to offer more flexibility in their relocation programs while also focusing on cost containment.





Short-term assignments lasting less than 12 months allow for increased agility, and are seen as cost-efficient with a basic assistance level, as compared to long-term assignees and have fewer tax implications.

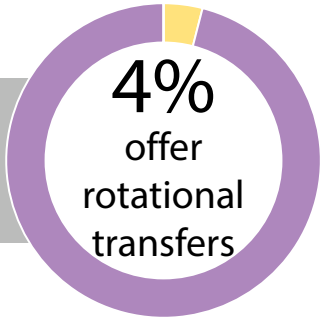
Long-term assignments lasting 3 to 5 years are costly, in part because they come with a higher tax commitment including numerous benefits, allowances, and accompanying dependent support.





Business travelers are employees who do not relocate but travel outside their home country to conduct business for extended periods, briefer than a short-term assignment.

Rotational transfers allow companies to develop well rounded employees by moving them from one role to another. These can also help reduce boredom and monotony.





Relocation Tip!

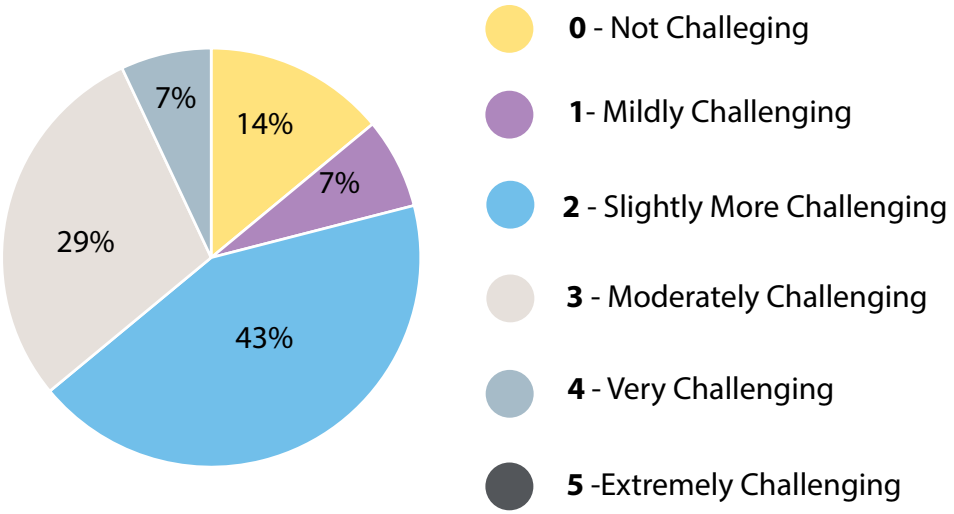
Business traveler and short-term assignments are two transfer types to watch in the coming years as the COVID-19 pandemic may have an impact on the types and durations of international transfers that companies pursue in the future.

Relocating to Asia

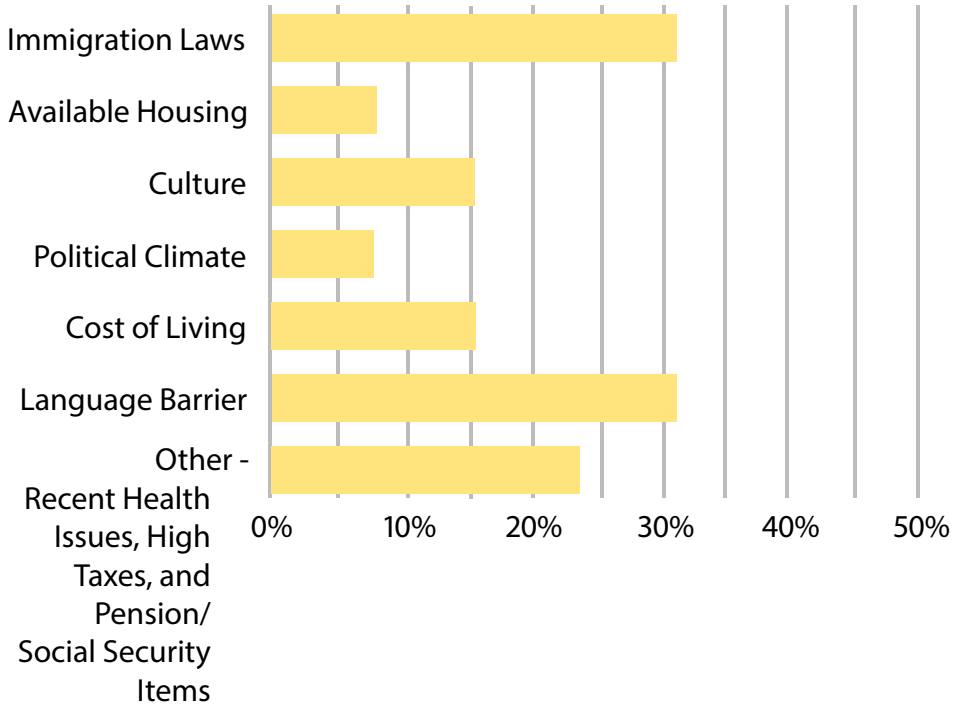


Do you find relocating employees to Asia challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



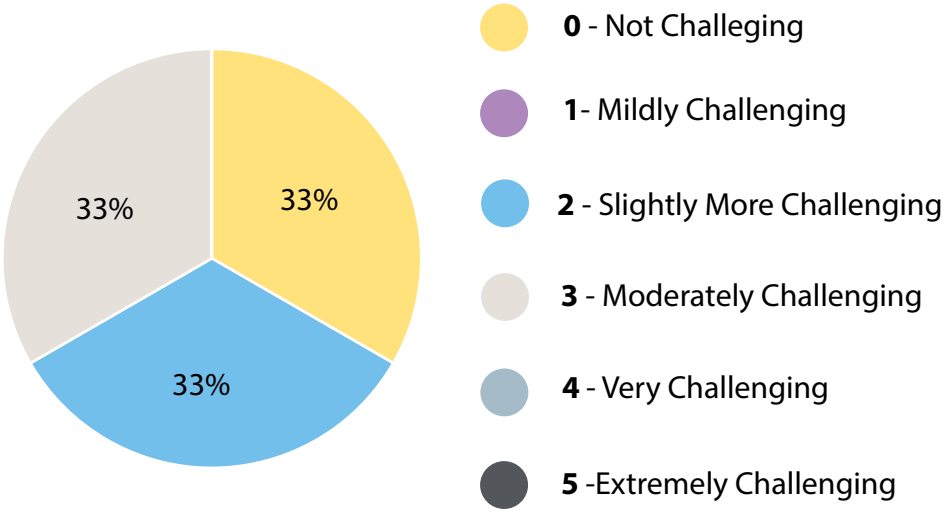
What makes moving employees to Asia particularly challenging?



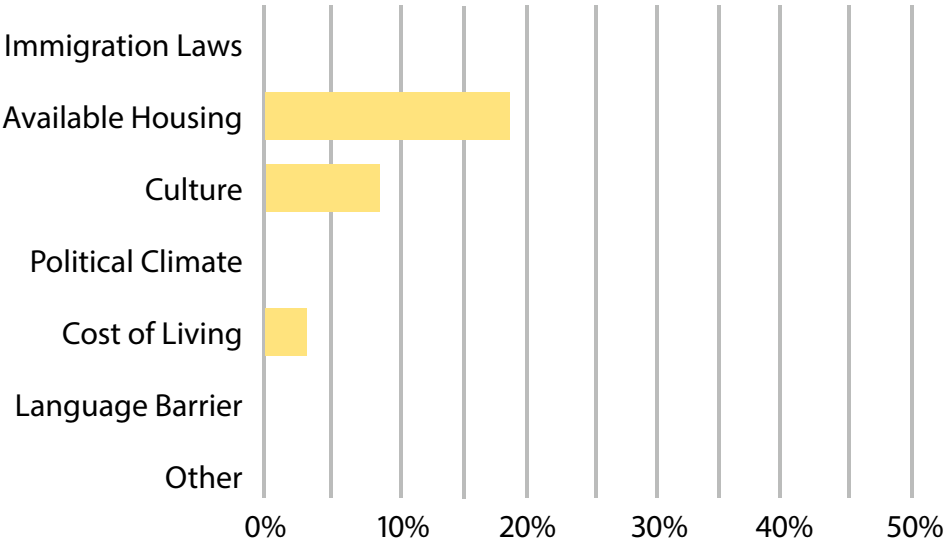
Relocating to Oceania

Do you find relocating employees to Oceania challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



What makes moving employees to Oceania particularly challenging?



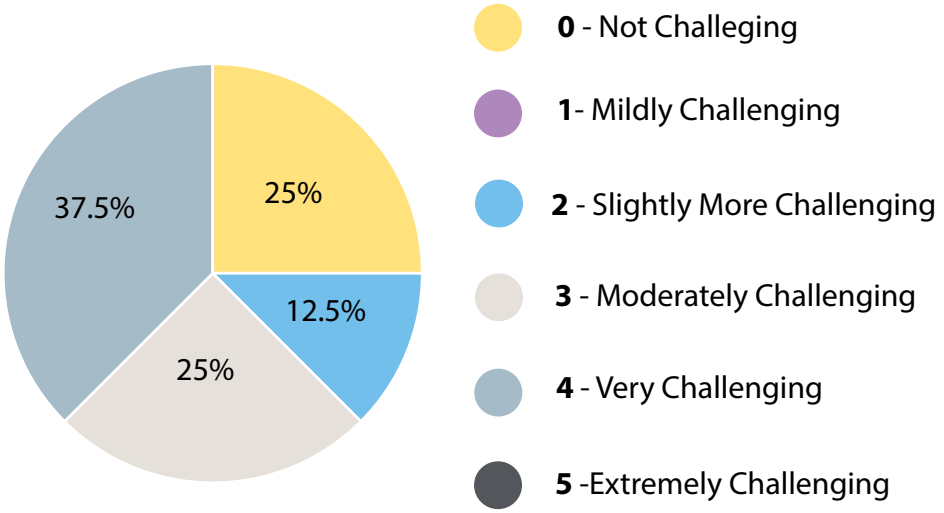


Relocating to Africa

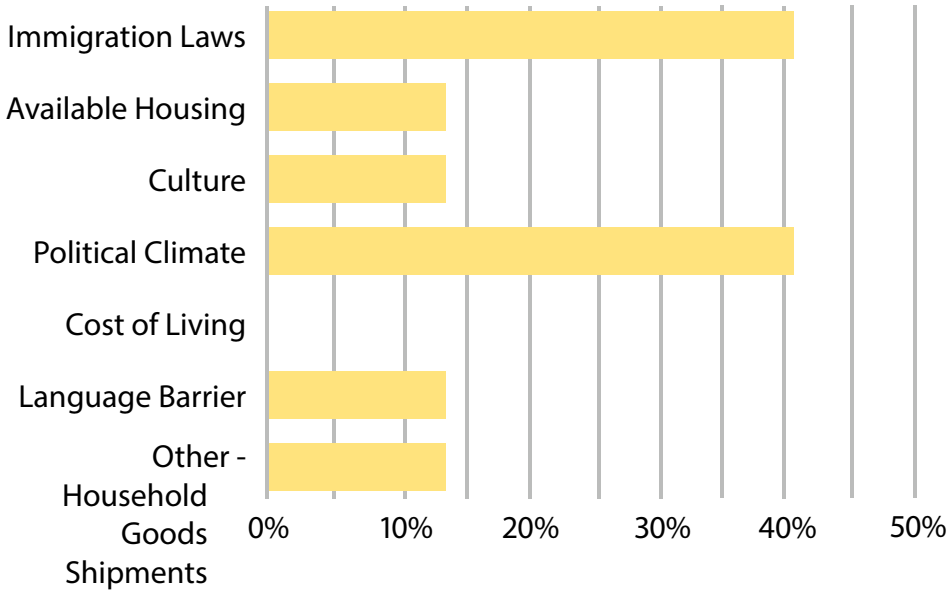


Do you find relocating employees to Africa challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



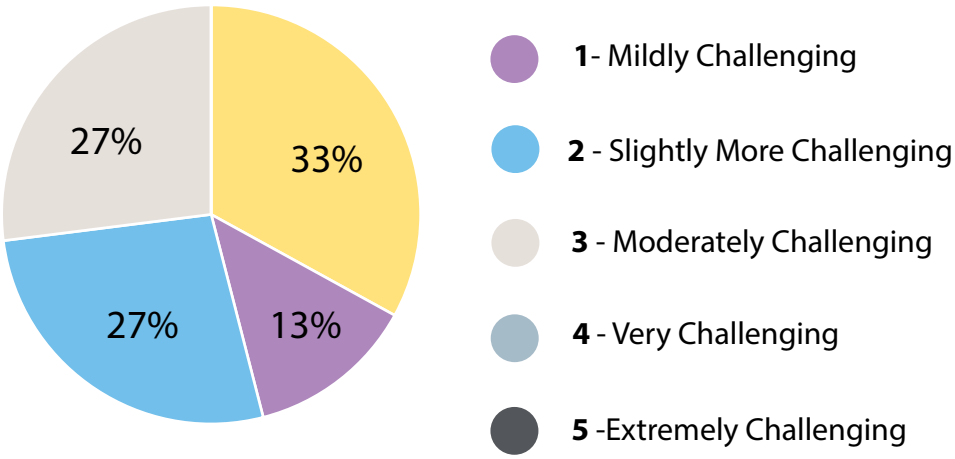
What makes moving employees to Africa particularly challenging?



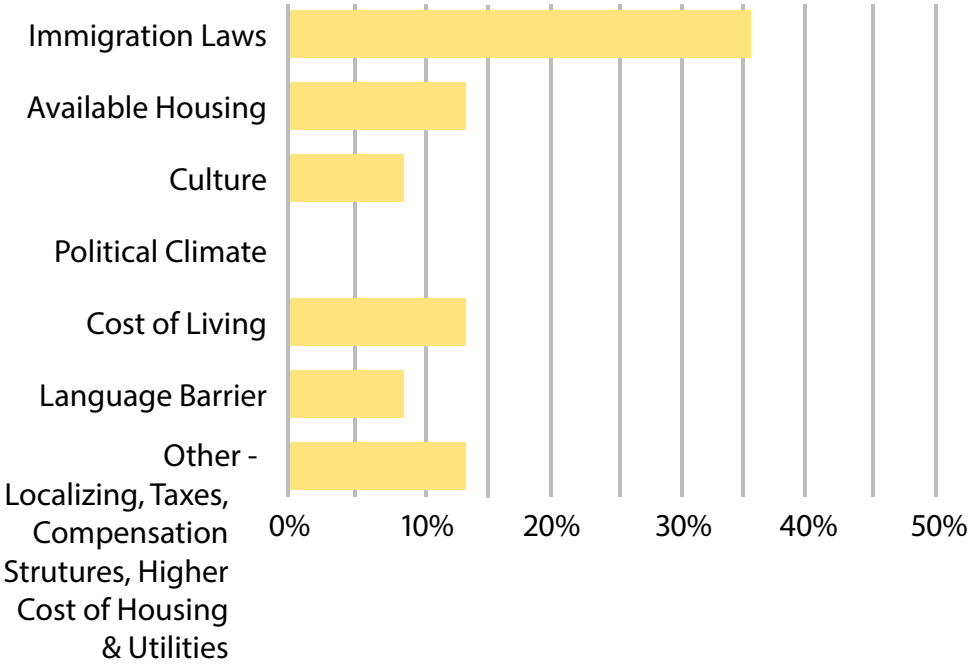
Relocating to Europe

Do you find relocating employees to Europe challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



What makes moving employees to Europe particularly challenging?



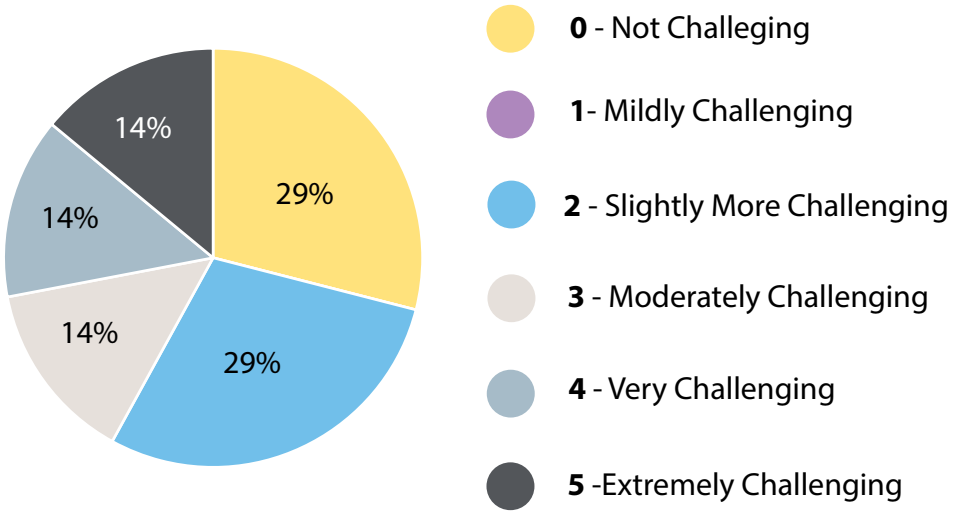


Relocating to South America

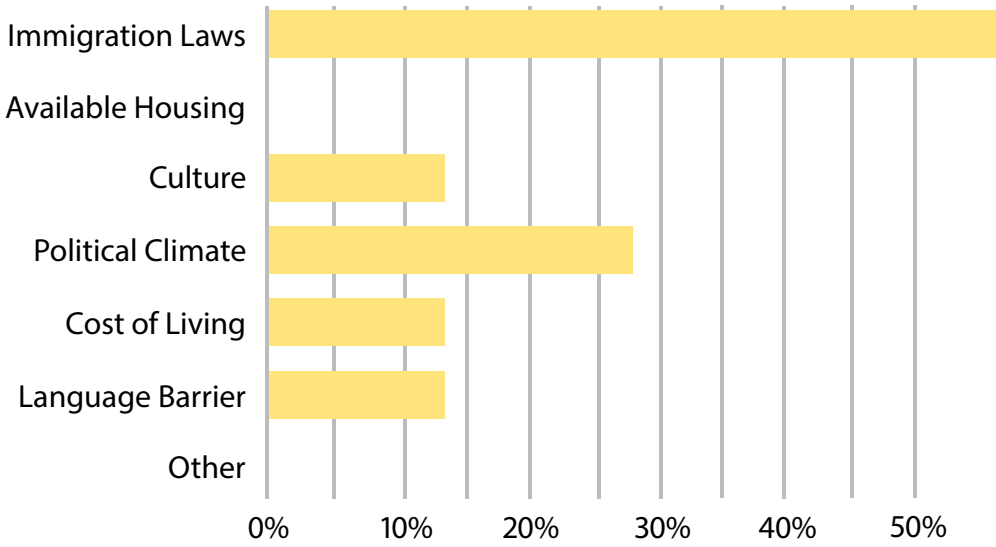


Do you find relocating employees to South America challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



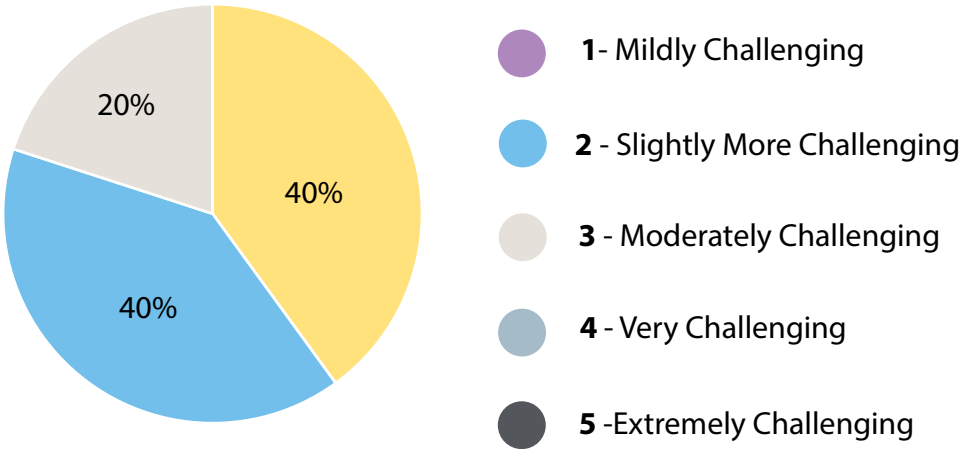
What makes moving employees to South America particularly challenging?



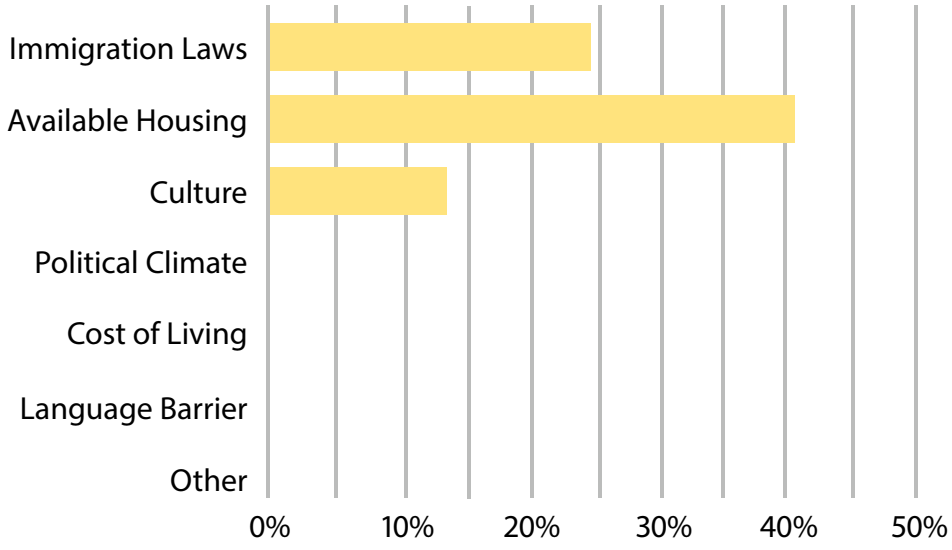
Relocating to the Caribbean

Do you find relocating employees to the Caribbean challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



What makes moving employees to the Caribbean particularly challenging?



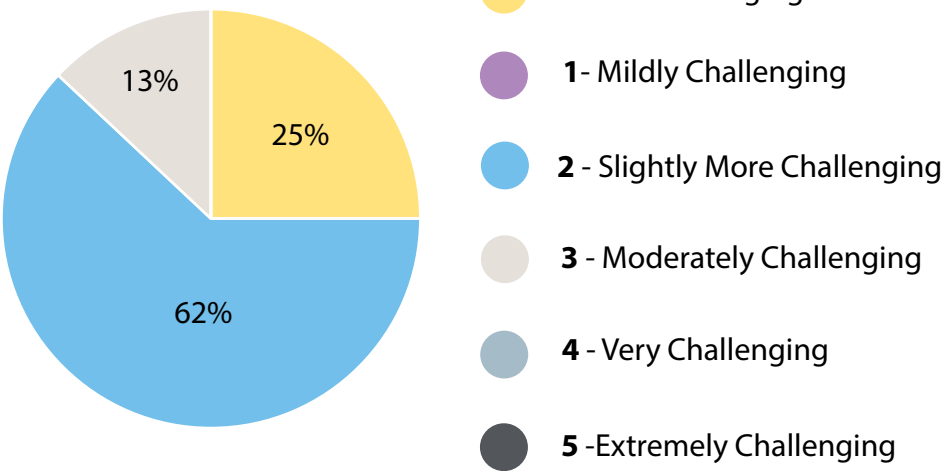


Relocating to Central America

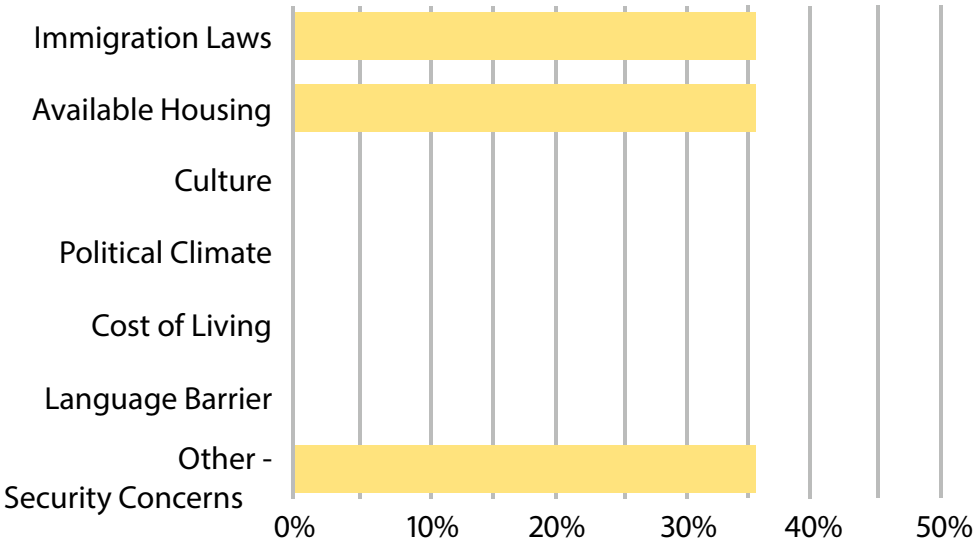


Do you find relocating employees to Central America challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



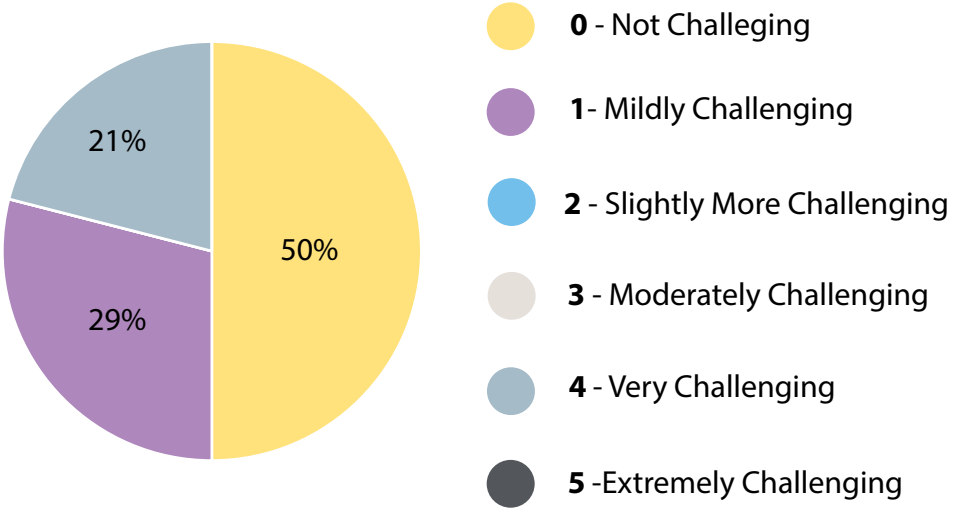
What makes moving employees to Central America particularly challenging?



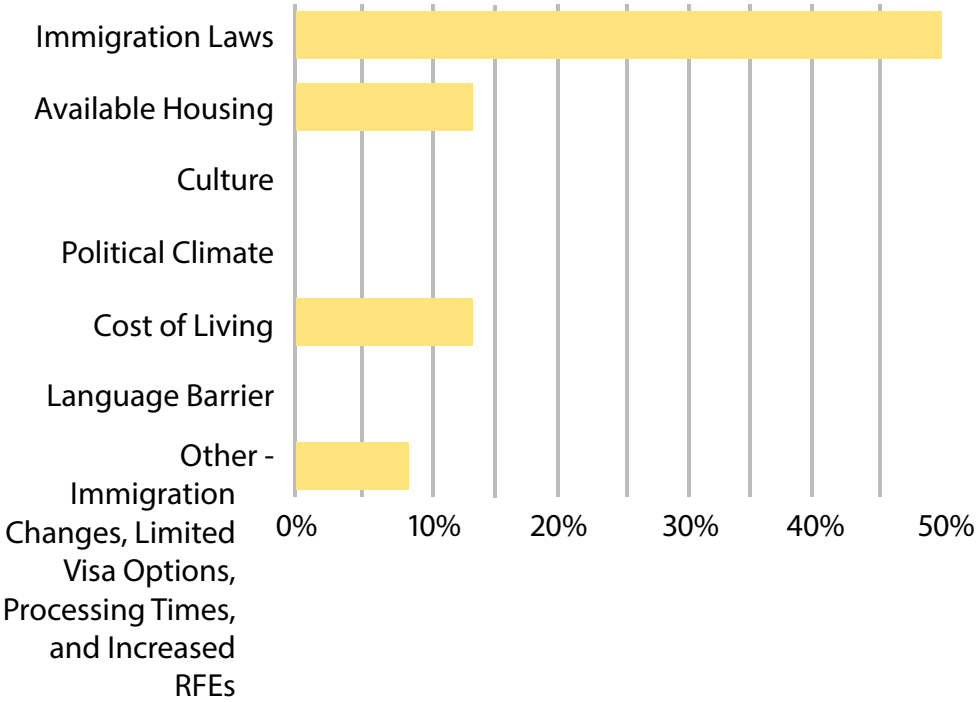
Relocating to North America

Do you find relocating employees to North America challenging?

Rating on a scale of 0-5, 0 being not challenging at all and 5 being extremely challenging.



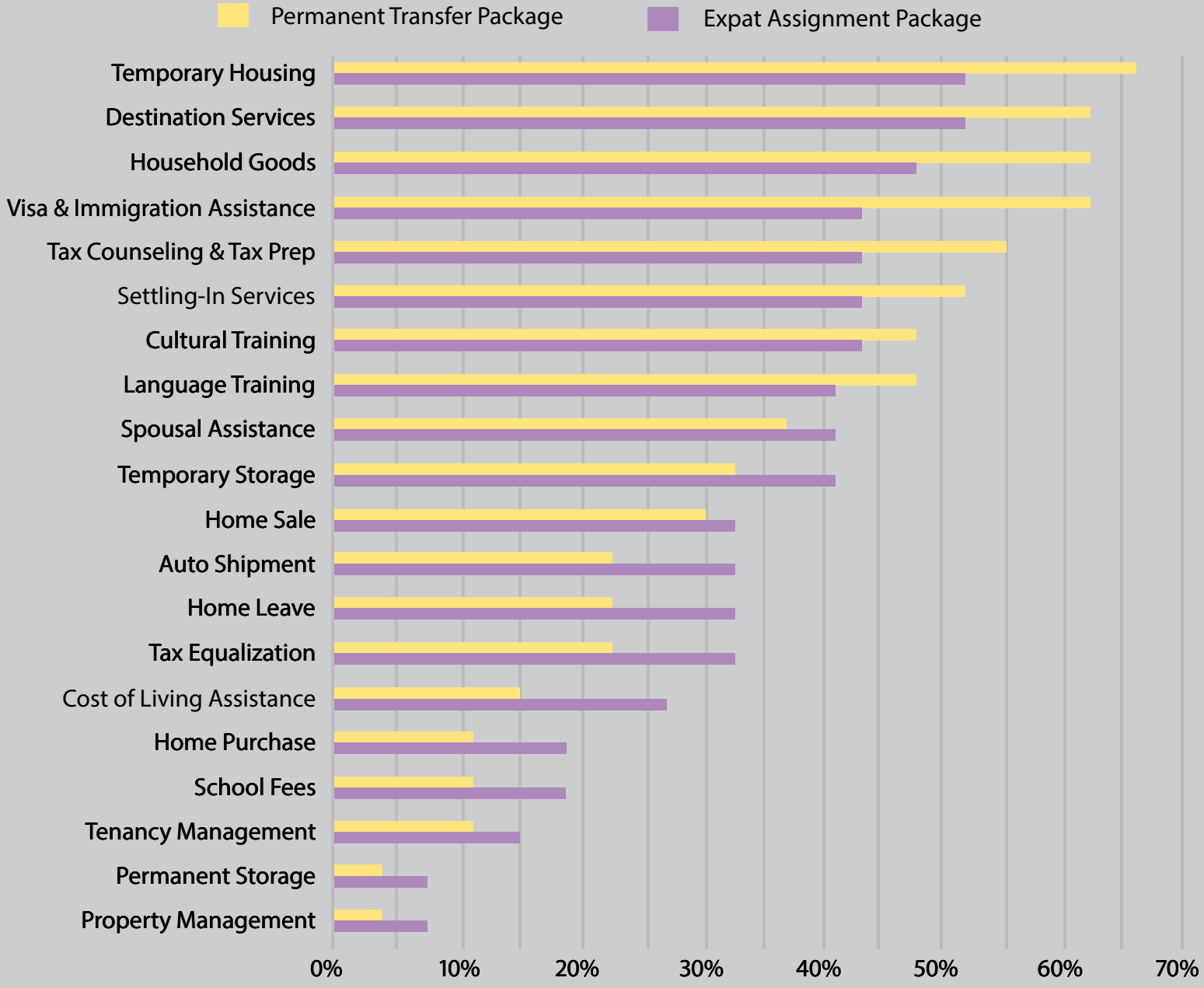
What makes moving employees to North America particularly challenging?





International Benefits

According to our respondents these are the top benefits offered to permanent transfers and expat assignment packages.



Relocation Tip!

Temporary housing, destination services & settling-in, household goods, visa & immigration assistance, and tax assistance are generally considered core benefits for international transfers and assignments.

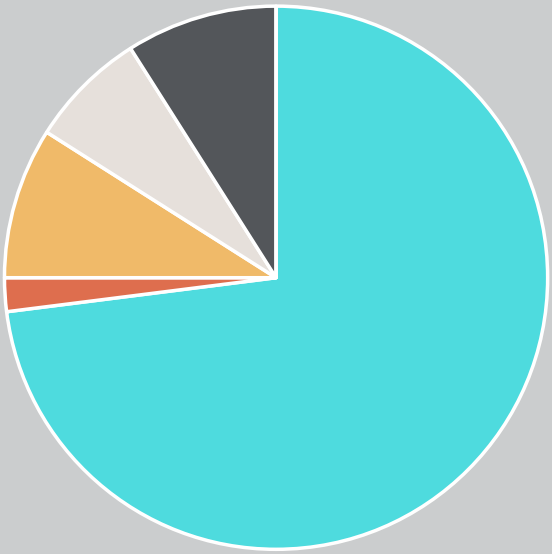

tax
reform

How commonly is tax assistance on the household goods move offered among respondents?



88%
of the companies surveyed offer tax assistance on household good moves since the Tax Cuts and Jobs Act (TCJA) of 2018.

What policy tiers receive this benefit?



- 73% offer this benefit to all policy tiers

Companies that don't offer this benefit to all policy tiers offer it to:

- 2% offer it to new hire, non-executives
- 7% offer this to existing employee, non-executives
- 9% offer this benefit to new hire, executives
- 9% offer this to existing employee, executives

Did you need to eliminate other benefits to provide this assistance?

95%
of companies that offer this benefit did not eliminate other benefits to compensate for the difference.



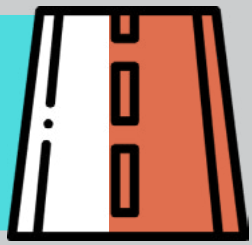
For the companies that did eliminate benefits, here are the ones that were noted:

- Home Sale Bonus
- House Hunting Trip
- Temporary Housing
- Home Purchase Closing Costs
- Loss on Sale



88%
of the programs that offer tax assistance have decided to cap this benefit.

67%
of companies still adhere to the prior IRS guidelines (39 week/1 year/50 mile rule).





relocation trends

What's new in relocation? Things are ever changing in our industry and each program has its own unique needs and preferences. Below are some parting sentiments from our respondents on emerging trends and happenings in the relocation space!

We asked:

Talent shortages have been a hot topic recently. Has your company experienced this "war for talent" and how does your mobility program factor into marketing for talent—internal and external?



67%

of respondents said they have experienced the "war for talent" and explained how they factor their mobility program into their marketing.

Our respondents said:

- Our mobility program has been crucial in bringing talent to the organization.
- We target current employees with our mobility program for both domestic and international.
- Our recruiters ask for help if the recruit is waffling on a decision to join our company, especially if it is tied to an area of the country.
- Our policies are an important factor and we want to be sure we are comparative to our competitors.
- We use our mobility program as marketing for talent both internally and externally, which is why we offer a GBO.

We asked:

What is most important to you in a relationship with your Relocation Management Company?

75%

of respondents said that they are looking for communication and great customer service from their RMCs.



Our respondents said:

- Industry knowledge
- Technology
- Transparency
- Understanding of the customer's company culture
- Willingness to be flexible

Relocation Trends

We asked:

The conversation of high touch versus high tech has been discussed at many recent relocation conferences. What is your ideal balance of these two approaches when managing your relocation program? Does it vary by individual or is it a blanket approach?

100%

of respondents said they have a mix of both high tech and high touch. Some depend on employee level and others on employee preference.

61%

of respondents said that their program is set up to have an individual approach instead of a blanket approach.

Our respondents said:

- Some employees have never experienced a company relocation and need a little more hand holding vs. someone who has moved several times. Some employees are more tech savvy and don't need the extra attention, at least until an issue arises.
- For us, the ideal balance is giving employees the option to decide. That way the individual feels supported in the way that best meets their specific situation.
- It is important to have both high tech and high touch. They are both part of the employee experience we are trying to create.
- For professional levels, we take a more high-touch approach compared to new college graduates, who we take a more high-tech approach with.
- Our program is high tech, but we want there to be a personal touch as well. We understand that having a person to work with is very important to our employees and the company.

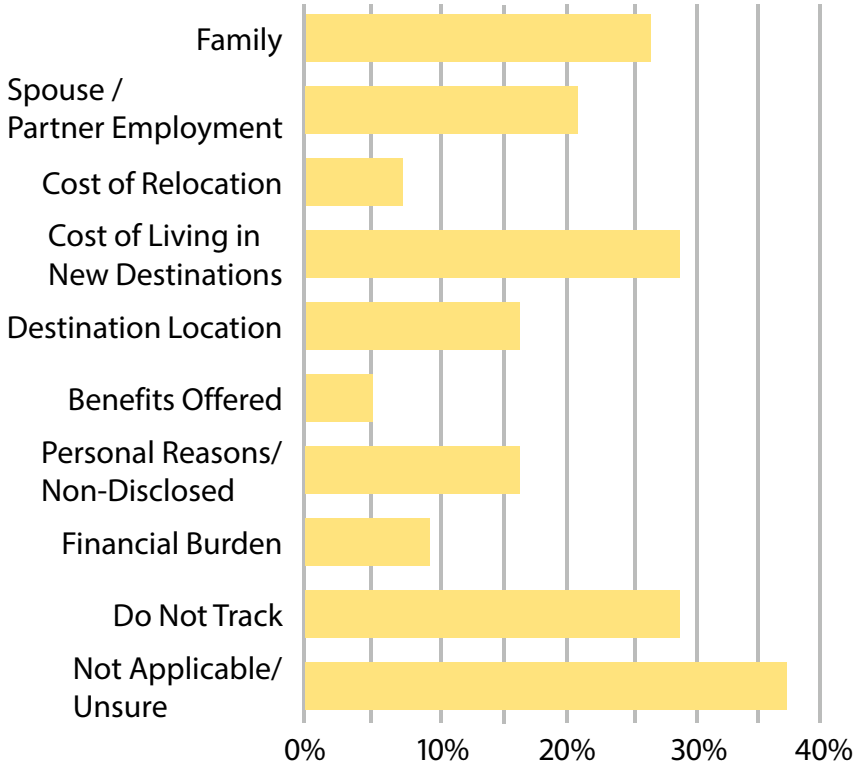


Relocation Trends Continued



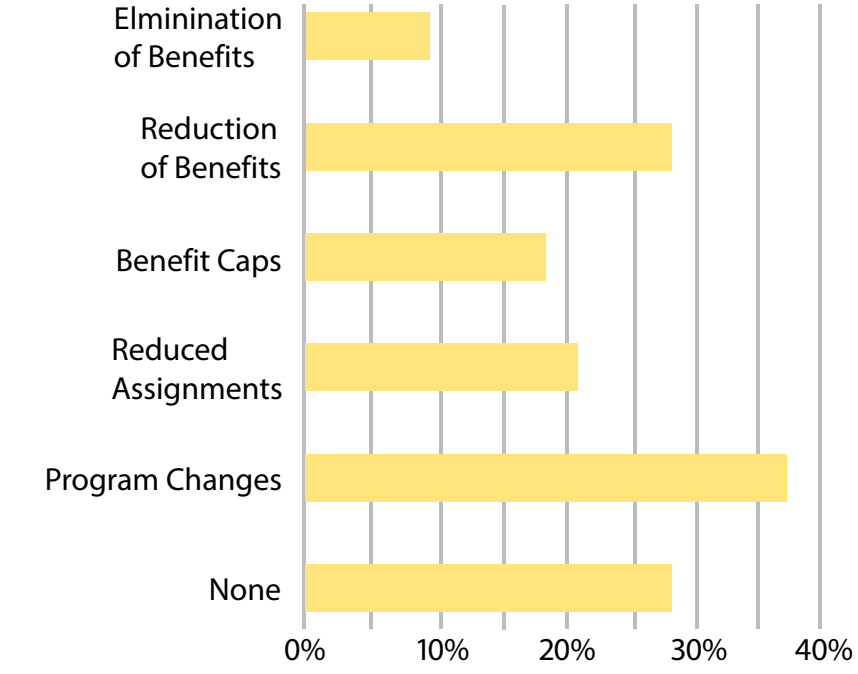
We asked:

What are the most common reasons an employee gives for declining a relocation?



We asked:

What type of cost reduction strategies have you implemented?



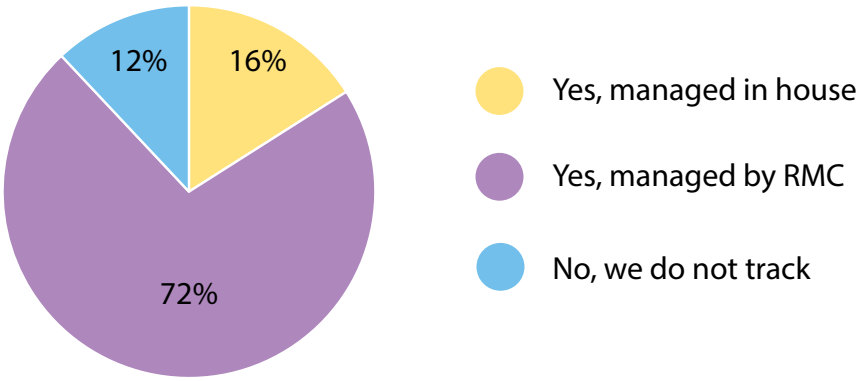
Policy Exceptions

Overall, the relocation process is relatively consistent; however, no two relocations are exactly the same. Companies tend to create benefit packages based on the average transferee, not always taking into account individual cultures and family dynamics. Naturally, this leads employees to request exceptions to the policies – some which may be valid and some which might create unnecessary work for you and your partners.

Companies can choose to draw a hard line when it comes to making exceptions or choose to be more willing to review and accept exceptions when it will improve the overall relocation experience for their employees. It's important to proactively decide your individual approach with your RMC partner so that your program can be executed as smoothly as possible while minimizing the amount of additional effort required.

However you decide to manage exceptions, tracking all requests and their outcomes is an important part of staying informed on how relocation policies are executed and where there might be opportunities for improvement!

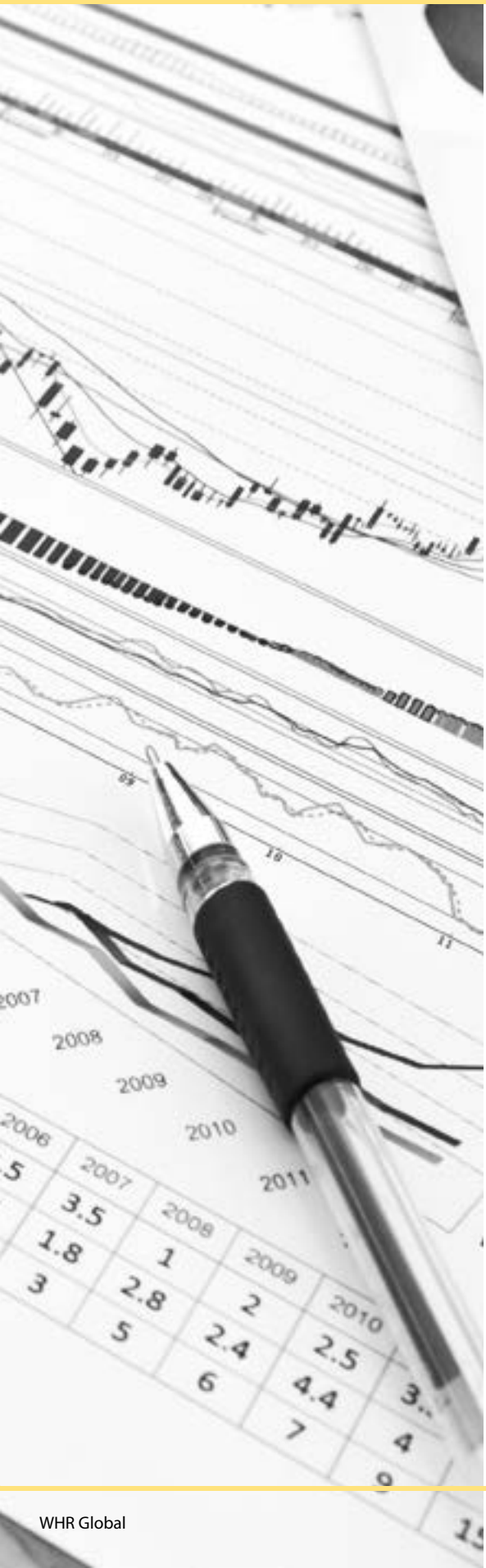
Do you have a tool to track policy exceptions?



As noted, exceptions have the ability to provide flexibility and improve the relocation experience for an employee, but as an employer you also need to know when to say "no." Below is a breakout of more commonly approved exceptions based on our findings.



Policy Exceptions Continued



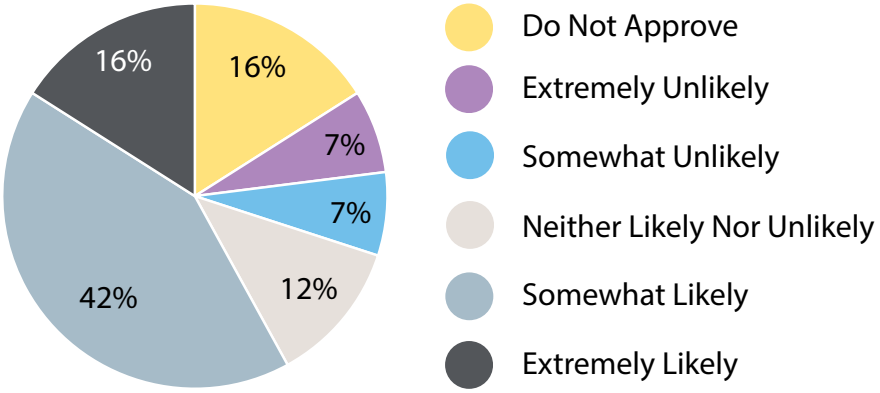
We asked:

How likely are you to allow the following policy exceptions?

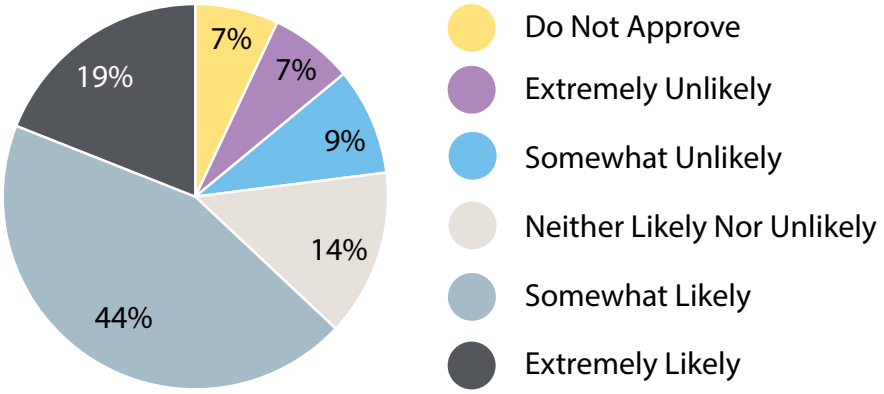
- Temporary Housing Extension
- Benefit Extension
- Household Goods Storage Extension
- Additional Household Goods Services
- Home Listing Parameters
- Travel Benefits
- Inspection Requirements

According to our respondents, the top policy exceptions that are allowed include temporary housing extension, benefit extension, and household goods storage extension.

Temporary Housing Extension

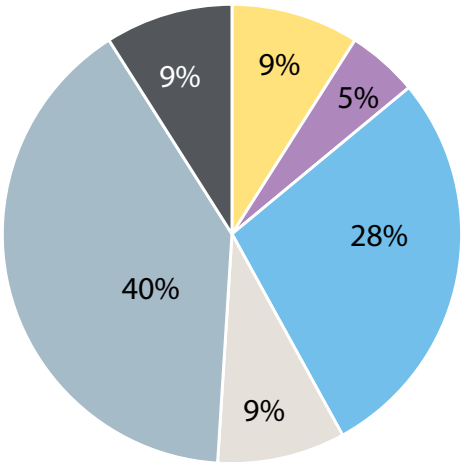


Benefit Extension



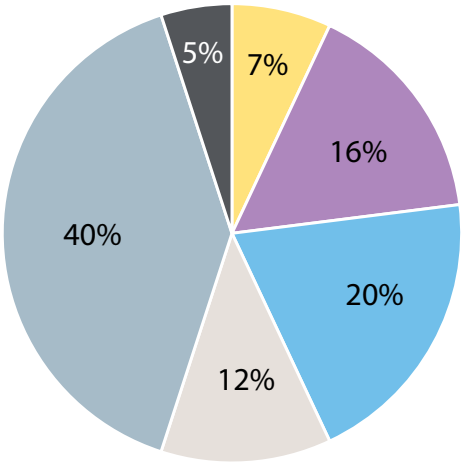
Policy Exceptions Continued

Household Goods Storage Extension



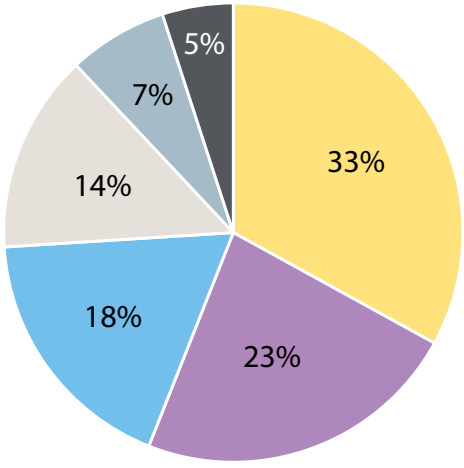
- Do Not Approve
- Extremely Unlikely
- Somewhat Unlikely
- Neither Likely Nor Unlikely
- Somewhat Likely
- Extremely Likely

Additional Household Goods Services



- Do Not Approve
- Extremely Unlikely
- Somewhat Unlikely
- Neither Likely Nor Unlikely
- Somewhat Likely
- Extremely Likely

Home Listing Parameters

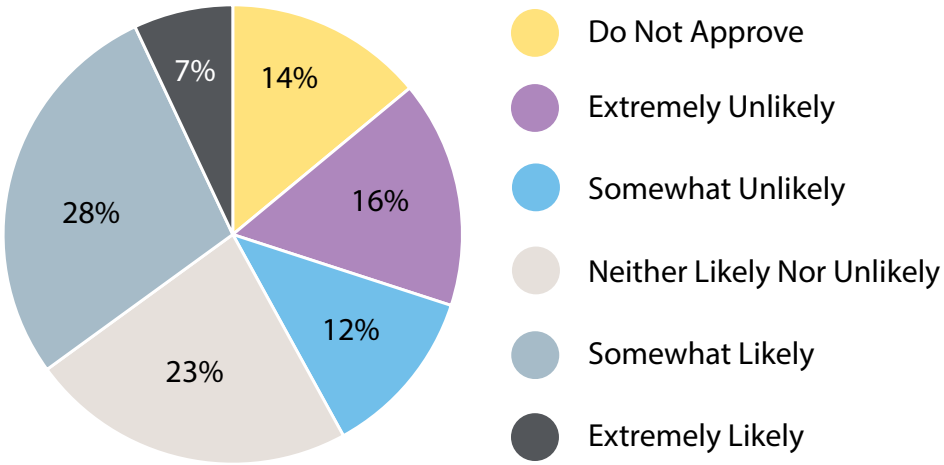


- Do Not Approve
- Extremely Unlikely
- Somewhat Unlikely
- Neither Likely Nor Unlikely
- Somewhat Likely
- Extremely Likely

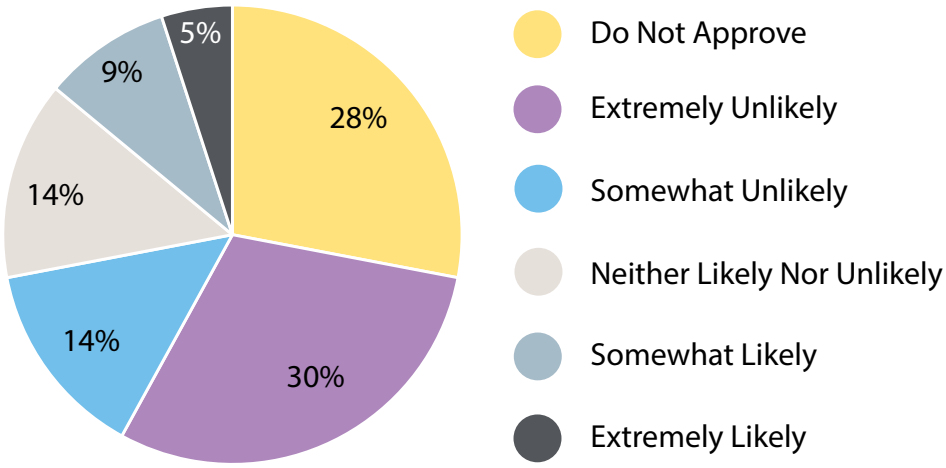
Policy Exceptions Continued



Travel Benefits



Inspection Requirements



We suggest that any company that offers relocation benefits should review the requested exceptions, allowed and denied, on a yearly basis. If you are seeing a lot of exceptions for the same benefit, this could indicate a consistent difficulty or a poor understanding of the information the transferee needs to complete the process.

If there are benefits that usually have exceptions requested and commonly approved, you may want to consider updating your current policies. By updating or adding benefits to your policy, you will save time in reviewing common exceptions and may see higher employee relocation satisfaction.



WHRGlobal
EMPLOYEE RELOCATION

WHR Global, a 25-year leader in the global relocation industry, was founded on the need to offer cost-effective relocation benefits without compromising empathy, ethics, or service. This belief forms the basis of our "high-tech, human-touch" business model, blending modern relocation technology with a highly trained, dedicated team of relocation experts who are driven by quality. We are committed to Advancing Lives Forward™ for our clients and their employees.

We regularly conduct mobility benchmark studies to analyze current market trends, and offer relevant recommendations and industry insights. If you would like to receive a complimentary policy review against our most recent benchmark data, contact us at sales@whrg.com or +1-262-523-2800.

To learn more about WHR's global mobility and employee relocation services, visit us online at whrg.com.