Global Assignment Policies and Practices Survey

2017 results

Global Mobility Services

KPMG International

kpmg.com/gappsurvey
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Introduction

I am pleased to present the 2017 report of our Global Assignment Policies and Practices survey (GAPP survey). This web-based survey continues to provide valuable trends and insight on how global organizations administer their global mobility programs.

KPMG’s GAPP survey provides a wealth of information for people responsible for, or interested in, global mobility. The detailed data in these pages allow you to compare and contrast your organization’s current practices with those of peers and other organizations. The data also promotes new ways of thinking on best global mobility policies and practices, whether you are designing a new program or giving your current one a fresh look.

Benefits of the survey

Participation in the GAPP survey will allow you to benchmark your organization in relation to other survey participants on numerous aspects of an international assignment program, including: assignee selection and assessment, assignment preparation and planning, talent and performance management, assignment compensation and allowances, administration and outsourcing, as well as tax reimbursement approaches.

About this report

This report is a snapshot of the GAPP survey, which is the main survey housed on kpmg.com/gappsurvey. The GAPP survey is dynamic — changing every time a new participant logs in and answers the questions. Results are published as of August 2017 for purposes of comparison. Real-time information is available on the website at kpmg.com/gappsurvey thus statistical variances between today’s results and the August 2017 report may occur. Even with additional organizations’ results added, however, the trends are not likely to deviate from those highlighted in this report.

Starting in 2016, KPMG adopted a new survey platform that provides additional ease of use as well as mobile functionality. The survey framework is now updated as follows:

— organization profile
— program overview
— policy overview
— pre-assignment and relocation
— during assignment
— end of assignment
— tax policy
— immigration
— assignment management technology
— data and analytics (D&A).

A written analysis that reveals noticeable differences in policy provisions or leading program trends is included in the beginning of each section of the report.

In summary

This report represents a broad overview of the international assignment policies and practices used in the marketplace today. If you have any questions regarding this report or need additional information about KPMG’s Global Mobility Services, please feel free to contact us at: us-taxgmssurvey@kpmg.com.

Sincerely,

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Executive summary

If your organization is pursuing growth in new markets, having the right people on the ground is essential. While attracting new talent in chosen markets is vital, leveraging your organization’s internal pool of experienced talent can be one of the best ways to achieve growth through temporary international work assignments and transfers of employees between global subsidiaries and affiliates.

Through a well-structured and managed global mobility program, your organization can enhance its culture by giving talented employees the opportunity to live and work in a different country, broaden their experience, learn new skills and establish a personal global network. For business development purposes, internationally experienced employees bring deeper insights and skill sets and demonstrate exceptional value to local clients and targets by supporting speed-to-market goals while helping to minimize business risk.

Organizations worldwide are continuing to take advantage of global mobility programs. Indeed, based on the responses from over 150 cross-industry organizations that took part in KPMG’s 2017 GAPP survey, the use of international assignments will continue in supporting overall global business and talent development objectives.

The top receiving countries that predict an increase in assignment volume over the next 5 years include traditional assignment countries such as the US (57 percent) along with legacy Western European countries such as the UK (32 percent), Germany (20 percent) and Switzerland (10 percent), with increasing market focus in the BRICS countries (which include Brazil, Russia, India, China and South Africa), such as China (40 percent) and India (14 percent).

Even with the slowing of the global economic engine within the last 5 years, industrialized and developing markets are continuing to maintain a key focus by global organizations. These include Asia Pacific regional assignments to Singapore (19 percent), Australia (14 percent), Hong Kong (12 percent) and Japan (10 percent), along with key Middle East locations including the United Arab Emirates (15 percent) and Saudi Arabia (10 percent). Furthermore, a focus on Latin America continues with assignment increases predicted for Mexico (19 percent), Brazil (22 percent), Chile (5 percent) and Colombia (7 percent).

It should be noted that even companies with established global mobility programs — such as those based in the US, Canada, UK, Germany and other Western European countries — continue to expand, adapt and transform their programs to meet ever-changing needs in an era of fast-paced technological change and global economic shifts.

Delivering on goals and objectives

The main purpose of a global mobility program for 32 percent of survey participants is to support business objectives and adapt to changing business requirements. This is followed by 21 percent citing controlling overall program costs. Flexibility and adaptability are shown through the variety of assignment types offered, including the top three policy types:

— 86 percent of participants offer short-term assignments (typically defined as less than 12 months)
— 97 percent offer long-term assignments (typically 1–5 years)
— 61 percent offer permanent transfer/indefinite length assignments.

KPMG member firms continue to see improving alignment between business objectives, assignment policy types and assignee selection. Many organizations are offering greater flexibility in their assignment policy approaches — setting policy frameworks with core and optional provisions and expanding the range of choices for either the business or the assignee (e.g. through menu-driven or points systems). In addition, increasing integration of global assignments with employee development initiatives is resulting in greater alignment of policy types and associated offerings that are customized to drive talent and business value. Approaches like these show a clear trend toward supporting more customized programs that aim to better meet assignee needs while keeping costs in check.
Purposeful integration between talent management and global assignments

KPMG member firms have observed movement toward addressing talent development and retention issues through more purposeful integration between talent management and global mobility. For those that have aligned their global mobility program to the organization’s talent management initiatives, 54 percent note that global assignments are a formal part of their organization’s talent development initiatives. However, the majority (59 percent) of survey participants noted that their global mobility programs are not aligned to the organization’s overarching talent management initiatives.

Focus on predictive workforce analytics

KPMG member firms also see HR professionals increasing their focus on demonstrating value to their businesses through predictive workforce analytics. With real-time access to talent skills data, HR teams can use analytics to identify future talent gaps. Indeed, this capability will be a key strategic differentiator that global mobility professionals can provide to their organizations. Fifty-three percent of survey participants cited “defining metrics to measure success” as a leading contribution to assignment success, up from 44 percent in 2016. This was followed by 20 percent citing “supporting regulatory compliance” and 15 percent citing “helping to facilitate post-assignment succession planning.” Investment in customized technology solutions, such as assignment selection tools, is needed to drive the fundamental changes to support these efforts.

Having agreed-upon metrics to measure return on investment (ROI) helps objectively demonstrate the value of mobility programs to the broader organization and secure continued program funding. However, a notable number of survey participants struggle to track ROI information on international assignments — 33 percent do not know how many assignees leave the organization within 12 months of returning home.

Of those organizations that do track former assignees who have left the organization, 30 percent of those assignees equally cite: 1) no appropriate job being available in the home country; and 2) being offered a better job/career path in another organization.

Continuing economic uncertainty

Economic factors can affect elements of expatriate pay, particularly through:

1. home country inflation
2. host country inflation
3. exchange rate fluctuation.

As the economies of some of the BRICS — such as Russia, China, South Africa and other emerging economies — continue to face economic growth challenges and as European member countries continue to struggle with their finances, as well as the UK’s pending exit from the EU in March 2019, ongoing economic uncertainty is affecting the strength of countries’ currencies. The resulting exchange rate fluctuations can greatly affect the pay of international assignees as they transfer money between their home and host countries. The value of assignment allowances also varies in step with exchange rate changes.

Higher prices in the home or host country location also lead to an immediate change in the cost-of-living allowance (COLA)/goods and services differential allowance (G&S). The majority of program policies schedule COLA/G&S updates based on third-party data provider schedules for changes in market basket pricing and foreign exchange rates. Reviews tend to be scheduled at least 2–4 times a year, but they may occur more frequently in host countries with more volatile currencies for COLA update timings and change reasons.

Through a well-structured and managed global mobility program, your organization can enhance its culture by giving talented employees the opportunity to live and work in a different country, broaden their experience, learn new skills and establish a personal global network.
Business alignment, customization and external service delivery support

Over the next 5 years, survey participants anticipate that:

— 79 percent of their use of extended international business trips (3 months or more) will increase
— 62 percent of their use of short-term assignments will increase
— 71 percent of their use of developmental/training assignments will increase
— 62 percent of their use of indefinite/permanent transfers will increase.

Furthermore, over the next 5 years, survey participants anticipate that:

— 29 percent of their use of long-term international assignment (LTA) or standard international assignments will decrease (vs. 44 percent citing that LTAs will remain the same and 27 percent predicting an increase).

Most survey participants’ global mobility service delivery models use external service providers to assist in managing the volume and complexity. Tax and immigration services are the most outsourced processes (95 and 83 percent, respectively), while 71 percent of participants’ payroll processing tends to remain in-house. The top three reasons for outsourcing are: 1) reduce administration so that HR can concentrate on core activities; 2) improve service quality and efficiency; and 3) gain access to third-party service provider’s resource and knowledge tied with improving overall global compliance of their programs.

In supporting a positive assignee experience, organizations continue to invest in internal collaboration portals and mobile and self-service tools. Social media platforms also provide vehicles for gathering data about employee engagement and for keeping employees connected while on assignment.

Global mobility programs need to have built-in capacity to adapt to ever-changing business needs while continuing to support the organization’s goals. Applying the fundamentals of global mobility concepts to the unique needs of a program thus requires constant effort.

If you have not yet taken part in KPMG’s GAPP survey, you are encouraged to do so. Your responses will enhance the overall data set of leading global mobility policy trends and practices. Your feedback is welcome on the survey itself, and a KPMG professional would be delighted to speak with you regarding your global mobility program, current challenges and goals for continuing improvement.

For more information, please email: us-taxgmssurvey@kpmg.com or visit kpmg.com/globalmobilityservices

Demographics

- 54% of respondents are US based
- 73% have had an assignment program for more than 5 years
- 50% have less than 50 assignees
- 51% have assignees in 10 countries or less

Organizations headquartered in the US represent the largest share of participants in the survey (49 percent). Organizations with fewer than 10,000 employees make up 33 percent of the survey population. Survey participants are fairly evenly represented in terms of revenues — 36 percent have revenues of more than 7.5 billion US dollars (USD). There is a broad spectrum of industries in the survey, with the largest representation from manufacturing (19 percent), financial services (18 percent), and high technology industries (15 percent).

The information on companies' organizational profiles will allow you to review the survey data tailored to your company’s profile and requirements.
In which country is your organization’s headquarters located?

Note: Total may not add to 100% due to rounding.
According to your best estimate, how many employees do you have worldwide?

- Less than 500: 4%
- 501 to 1,000: 1%
- 1,001 to 5,000: 16%
- 5,001 to 10,000: 12%
- 10,001 to 25,000: 29%
- 25,001 to 50,000: 15%
- 50,001 to 100,000: 12%
- More than 100,000: 10%

Note: Total may not add to 100% due to rounding.

How would you classify the industries in which you operate? (Select all that apply.)

- Manufacturing: 19%
- Technology: 15%
- Other: 13%
- Engineering: 8%
- Automotive: 7%
- Consulting/professional services: 6%
- Financial services — banking: 5%
- Financial services — insurance: 5%
- Financial services — other: 4%
- Apparel and textile: 3%
- Energy — other: 3%
- Mining: 3%
- Pharmaceuticals: 3%
- Transportation (passenger and freight): 3%
- Wholesale and distribution: 3%
- Construction: 2%
- Agriculture, forestry and fishing: 2%
- Hospitality: 2%
- Real estate/property development: 2%
- Academic and educational: 1%
- Government (national and local): 1%
- Advertising and marketing: 1%
- Biotechnology: 1%
- Legal services: 0%
- Not-for-profit and voluntary (including religious): 0%
- Waste management: 0%

What department in your organization are you a part of?

- HR: 28%
- Global mobility: 16%
- Compensation/benefits: 15%
- Other: 4%
- Talent management: 3%
- Finance: 2%
- Legal: 1%
- Tax: 1%


How many full-time employees in your organization manage international assignments globally?

- Less than 3: 47%
- 3 to 6: 28%
- More than 6: 25%


Please indicate if your department is also responsible for the following activities, as they pertain to international assignments. (Select all that apply.)

- Immigration: 81%
- Benefits: 64%
- Domestic relocation: 64%
- Compensation: 62%
- Employee relations: 32%
- Staffing/recruiting: 18%
- Other: 15%
- Training and development: 12%

Fifty percent of survey participants have 50 assignees or less, while the other 50 percent have anywhere from 51 assignees to more than 1,000. The top originating (home country) and receiving (host country) locations for survey participants are primarily concentrated in North America and Europe, while several countries in the Asia Pacific and Central/South American regions are considered prospective receiving locations for future assignments over the next 5 years.

In assessing their international assignment programs, participants say the primary goal is to support the business objectives while adapting to the shifting demands of the business environment; however, controlling program costs continues to be a key program driver for most participants.

Income tax and immigration compliance present the most challenges for participants and are two of the top functions that organizations look to outsource to service providers (93 percent of participants outsource tax preparation services and 83 percent outsource immigration services). The major reasons for outsourcing are to reduce administration and improve internal service quality and efficiency.
In addition to compliance, what are the top three goals for your international assignment program?

- **32%** Supporting the organization’s business objectives
- **21%** Controlling program costs
- **17%** Being adaptable to changing business requirements
- **11%** Attracting and retaining assignees
- **13%** Being perceived as fair and equitable
- **5%** Ensuring an acceptable ROI
- **2%** Other

Note: Total may not add to 100% due to rounding.

Please identify the top three compliance topics in terms of those that represent the most challenges when relocating personnel.

- **31%** Income tax
- **25%** Immigration
- **18%** Permanent establishment
- **9%** Employment law
- **14%** Social security
- **3%** Other

### Demographics

**How many international assignees do you have?**

- Less than 10: 34%
- 10 to 50: 3%
- 51 to 100: 16%
- 101 to 200: 18%
- 201 to 500: 9%
- 501 to 1,000: 5%
- 1,001 to 2,500: 14%
- More than 2,500: 14%

Source: KPMG International, GAPP Survey 2017

### Please identify your top 10 sending and receiving locations.

<table>
<thead>
<tr>
<th>Location</th>
<th>Sending</th>
<th>Receiving</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>UK</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Germany</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>China (People’s Republic of, excluding Hong Kong and Taiwan)</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Australia</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>India</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>France</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Brazil</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>UAE</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.

Source: KPMG International, GAPP Survey 2017
In which countries do you anticipate an increase in assignment volume over the next 5 years? (Select all that apply.)

- **US**: 57%
- **UK**: 32%
- **China (People’s Republic of, excluding Hong Kong and Taiwan)**: 40%
- **India**: 14%
- **Germany**: 20%
- **Brazil**: 22%
- **Mexico**: 19%
- **Singapore**: 19%
- **Hong Kong**: 12%
- **UAE**: 15%
- **Switzerland**: 10%
- **Australia**: 14%
- **Saudi Arabia**: 10%
- **Japan**: 10%
- **Canada**: 13%
- **Poland**: 9%

Note: Chart includes top 15 responses.

Families

In addition to legally married spouses (opposite and same gender) and dependent children, do you include any of the following in your definition of ‘family’ for purposes of international assignment benefits? (Select all that apply.)

- Unmarried domestic partners/companions of opposite gender: 70%
- Unmarried domestic partners/companions of same gender: 70%
- Dependent parents/extended family of assignee: 8%
- Dependent parents/extended family of spouse/partner: 6%
- Other: 5%
- None of the above: 24%


Outsourcing and administration

Which of the following functions do you outsource? (Select all that apply.)

- Tax consultation: 95%
- Tax preparation services: 93%
- Relocation services: 88%
- Immigration and travel document services: 83%
- Destination services: 78%
- Assignment compensation collection and calculations (including cost estimates): 45%
- Certificate of coverage application/tracking: 42%
- Expense processing: 41%
- Compensation reports (annual summaries of taxable remuneration): 39%
- Pre-assignment consultation/policy briefing: 30%
- Assignee payroll support: 29%
- Equity tracking: 20%
- Other: 8%
- Not applicable (we do not outsource any compensation functions): 2%

From which of the following external sources do you receive your international assignment data, (e.g. COLA, housing, hardship, etc.)? (Select all that apply.)

- Mercer/ORC
- AIRINC (Associates for International Research Inc.)
- Government sources
- Internal sources (such as host-country management)
- ECA (Employment Conditions Abroad)
- Not applicable (we do not obtain international assignment data from external sources)
- Other


What are the top three reasons for outsourcing?

- **22%** Reduce administration so that HR can concentrate on core activities
- **21%** Improve service quality and efficiency
- **20%** Gain access to third-party service provider’s global resources and knowledge
  
  and
  
  Improve overall compliance of the program (tied at 20%)

- **12%** Reduce costs/decrease internal head count

- **5%** Gain access to third-party service provider’s supporting technology

Note: Total may not add to 100% due to rounding.

Organizations continue to use a variety of different assignment types to support program goals; long-term and short-term assignments are the most common (97 percent and 86 percent, respectively). Permanent transfer/indefinite length assignments are also a common practice for 61 percent of survey participants. KPMG professionals have witnessed these permanent transfer/indefinite length assignments as being a growing policy trend throughout the last number of years. Over the next 5 years, participants expect to rely more on shorter duration assignments (i.e. extended business trips (73 percent), short-term assignments (62 percent) and developmental/training assignments (71 percent)).

A home country system approach is the prevailing basis for the majority of survey respondents as it pertains to base compensation (80 percent), variable compensation (57 percent) and equity payments (53 percent).

Home country retirement/pension plans are also preferred for 93 percent of participants, while international/assignee plans are primarily applied for medical/healthcare coverage (62 percent).
Policy types and duration

What types of formal assignment policies do you currently use? (Select all that apply.)

- Long-term or standard (for example, 1 to 5 years): 97%
- Short-term (for example, less than 12 months): 86%
- Permanent transfer/indefinite length: 61%
- Extended international business trip (for example, up to 3 months): 30%
- Commuter (including fly-in fly-out and cross-border): 28%
- Developmental/training: 25%
- Rotational: 17%
- Assignee requested: 14%
- Project/contract-specific: 14%
- Other*: 11%
- Inter-regional: 6%


*Other includes:
— international rotation with in a trainee program
— third country nationals
— local plus
— global employment company
— temporary location
— formal secondment program
— global nomads
— business traveler.
Over the next 5 years, do you anticipate the policy types to increase, decrease, or remain the same?

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Increase</th>
<th>Decrease</th>
<th>Remain the Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended international business trip (for example, up to 3 months)</td>
<td>73%</td>
<td>5%</td>
<td>22%</td>
</tr>
<tr>
<td>Short-term (for example, less than 12 months)</td>
<td>62%</td>
<td>6%</td>
<td>32%</td>
</tr>
<tr>
<td>Long-term or standard (for example, 1 to 5 years)</td>
<td>27%</td>
<td>29%</td>
<td>44%</td>
</tr>
<tr>
<td>Commuter (including fly-in fly-out and cross-border)</td>
<td>54%</td>
<td>5%</td>
<td>42%</td>
</tr>
<tr>
<td>Rotational</td>
<td>41%</td>
<td>7%</td>
<td>52%</td>
</tr>
<tr>
<td>Inter-regional</td>
<td>37%</td>
<td>6%</td>
<td>57%</td>
</tr>
<tr>
<td>Permanent transfer/indefinite length</td>
<td>62%</td>
<td>5%</td>
<td>33%</td>
</tr>
<tr>
<td>Developmental/training</td>
<td>71%</td>
<td>7%</td>
<td>23%</td>
</tr>
<tr>
<td>Assignee requested</td>
<td>36%</td>
<td>7%</td>
<td>56%</td>
</tr>
<tr>
<td>Project/contract-specific</td>
<td>46%</td>
<td>3%</td>
<td>51%</td>
</tr>
<tr>
<td>Other (top responses: local plus, higher education and localization)</td>
<td>40%</td>
<td>7%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.

What is the average duration of an international assignment in your organization?

Note: Total may not add to 100% due to rounding.

What is the duration of your long-term assignment policy (or equivalent)?

Note: Total may not add to 100% due to rounding.
Compensation philosophy

What is the basis of your core long-term assignment (or equivalent) policy’s base compensation approach? (Select all that apply.)

- Home country system (including balance sheet and net-to-net) 80%
- Host country system (including a ‘host-plus’ philosophy) 13%
- The organization’s headquarters country system 5%
- No predominant philosophy (determined on a case-by-case basis) 8%
- The higher of the home country or host country system 4%
- Other 4%


What is the basis of your long-term assignment (or equivalent) policy’s approach to the payment of variable compensation?

- Home country system 57%
- Host country system 18%
- No predominant philosophy (determined on a case-by-case basis) 10%
- The organization’s headquarters country system 6%
- Other 6%
- Not applicable (we do not provide incentive compensation) 2%
- The higher of the home country or host country system 1%

What is the basis of your long-term assignment (or equivalent) policy's approach to the payment of equity?

- **53%** Home country system
- **17%** Not applicable (we do not provide incentive compensation)
- **11%** The organization’s headquarters country system
- **7%** No predominant philosophy (determined on a case-by-case basis)
- **6%** Host country system
- **4%** Other
- **1%** The higher of the home country or host country system

Note: Total may not add to 100% due to rounding.

What is the basis of your long-term assignment (or equivalent) policy’s approach to the provision of employee benefit plans?

**Medical/healthcare**
- We provide international/assignee plans (e.g. Cigna International, Aetna Global) — if possible 62%
- We try to keep assignees in their home country plans whenever possible 20%
- We provide international/assignee plans — only if the home country plan proves ineffective 6%
- We provide equivalent host country plans — if possible 5%
- No predominant philosophy (determined on a case-by-case basis) 3%
- Other 3%

- We provide equivalent host country plans — only if the home country plan proves ineffective 1%
- We provide equivalent host country plans — only if it is more cost effective 0%
- We provide international/assignee plans (e.g. Cigna International, Aetna Global) — only if it is more cost effective 0%

Note: Total may not add to 100% due to rounding.

What is the basis of your long-term assignment (or equivalent) policy's approach to the provision of employee benefit plans?

- **We try to keep assignees in their home country plans whenever possible**: 93%
- **No predominant philosophy (determined on a case-by-case basis)**: 2%
- **Other**: 2%
- **We provide international/assignee plans (e.g. Cigna International, Aetna Global) — if possible**: 1%
- **We provide equivalent host country plans — if possible**: 1%
- **We provide international/assignee plans (e.g. Cigna International, Aetna Global) — only if the home country plan proves ineffective**: 1%
- **We provide equivalent host country plans — only if the home country plan proves ineffective**: 1%
- **We provide equivalent host country plans — only if it is more cost effective**: 0%
- **We provide international/assignee plans (e.g. Cigna International, Aetna Global) — only if it is more cost effective**: 0%

Note: Total may not add to 100% due to rounding.

In sourcing prospective international assignees, the applicable business unit drives the selection process for 89 percent of organizations surveyed. While several participants assess an assignee’s suitability for an international assignment through an informal review by line management/human resources or via self-assessments, the large majority of participants (60 percent) do not have a provision in place to make an informed assessment of assignee suitability. Overall, management of the assignment planning process is lacking, with 35 percent saying it is not well managed and 23 percent having a neutral point of view.

Cost estimates continue to serve as a valuable tool for program managers, with 80 percent requiring an estimate for some or all assignment approvals. Estimates are primarily used for budgeting purposes (89 percent) and they often account for assignee-specific data (88 percent), relocation costs (94 percent) and tax and social security costs (94 percent).

(Continued)
Pre-assignment consultations and tax briefings are widely provided as core policy benefits (80 and 87 percent respectively) to thoroughly review the assignment terms and conditions prior to relocation. In proactively preparing for a potential assignment, 90 percent of organizations provide a formal pre-assignment visit to the host location, with the majority (59 percent) authorizing both the assignee and the spouse/partner for the trip. Language and cross-cultural training remain included under the majority of organizations’ standard policies with an observable trend of these trainings beginning post-arrival in the host country to support transition and integration. The assignee’s spouse/partner and children are also more likely to be included in training, rather than limiting the lessons to the assignee only.

Household goods shipments, temporary living, miscellaneous relocation allowances and destination services are provided as core relocation-related policy benefits for the majority of organizations, while home country storage, home country housing assistance and home country vehicle assistance are not provided as often to assignees or are provided as a flexible/optional benefit at the discretion of the organization.

### Assignee selection

How are prospective international assignees sourced within your organization? (Select all that apply.)

- Selected by business unit: 89%
- We do not have a formal process for identifying potential international assignees (case-by-case basis): 20%
- Our international assignment program advertises opportunities internally (employees can respond): 18%
- Selected by recruiters: 17%
- International assignments are required/encouraged as part of certain job/grade competencies: 17%
- There is no formal process separate from the usual performance management/career planning system: 17%
- There is a formal process included in the performance management/career planning system: 13%
- We maintain a database of potential assignees: 8%
- Other: 4%

In addition to global mobility, what other stakeholder groups are involved in the pre-assignment cross-border risk review and selection process? (Select all that apply.)

- Responsible business manager (78%)
- External tax services provider (57%)
- External immigration counsel (49%)
- Corporate tax (44%)
- C-suite/executive level (38%)
- Talent management (34%)
- Finance (21%)


What is your approach to assessing a potential assignee’s suitability for international assignment? (Select all that apply.)

- We have no provision for assignee assessment (60%)
- Line management or HR conducts an informal assessment (38%)
- Potential assignees complete self-assessments (7%)
- Other assessment tools are used (6%)
- An external evaluator is used (3%)
- Trained evaluators from within the organization conduct assessments (3%)

Do you agree that your organization manages the assignment planning process well?

- **Strongly agree**: 9%
- **Somewhat agree**: 33%
- **Neutral**: 23%
- **Somewhat disagree**: 26%
- **Strongly disagree**: 8%

Note: Total may not add to 100% due to rounding.

**Employment relationships and risk analysis**

Which statement best describes the employment relationships that apply to assignees?

- **Home country entity employment relationship is maintained and a new one is not established**: 44%
- **Assignees have dual employment status (they maintain one with the home country entity and establish one with the host country entity or a global employment company)**: 24%
- **Home country entity employment relationship is changed to ‘dormant’ and a new one is established with the host country entity or a global employment company**: 18%
- **Assignees employment relationship with the home country entity is effectively terminated and a new one is established with the host country entity or a global employment company**: 8%
- **Other**: 6%

Note: Total may not add to 100% due to rounding.
Which statement best describes how your organization documents the employment relationship and the assignment terms and conditions?

- 55%: A ‘letter of assignment’ is provided (which temporarily amends the terms and conditions of the ongoing home country entity employment)
- 33%: Both a letter of assignment and a host country employment contract are provided (if legally required)
- 7%: Both a letter of assignment and a host country employment contract are provided (in all cases)
- 3%: A host country entity employment contract is provided
- 3%: Other

Note: Total may not add to 100% due to rounding.

Which of the following best describes your approach to assignment goals?

- 21%: Specific, assignment-related goals are established for every assignee
- 21%: They are often set but not required for all assignments
- 24%: They are rarely set/set on a case-by-case basis
- 8%: Assignees continue to follow the home country goal-setting process
- 8%: Assignees follow the host country goal-setting process
- 19%: We do not have any process for establishing assignment goals

Note: Total may not add to 100% due to rounding.
When are assignment goals reviewed?

- During the assignment at scheduled intervals (i.e. every quarter, 6 months, annually, etc.): 59%
- On a case-by-case basis/no predominant philosophy: 15%
- Not applicable (we do not review assignment goals): 10%
- At the beginning of the assignment: 7%
- At the end of the assignment: 5%
- Other: 10%


Performance management, goal setting and mentoring while on assignment

Is your global mobility program aligned to the organization’s overarching talent management initiatives?

- Yes: 59%
- No: 41%

If your global mobility program is aligned with the organization’s talent management initiatives, which of the following apply to your program? (Select all that apply.)

- Global assignments are a formal part of our talent development: 54%
- Advance, proactive repatriation planning: 40%
- Formal performance management process: 35%
- Post-assignment career succession planning: 34%
- Formal assignee selection process: 19%
- Assignee goal setting process: 18%
- Other: 12%
- Assignment ‘handler’ or ‘coach’: 4%


Cost assessment
How often do you prepare cost estimates for international assignments?

- For all assignments: 16%
- Only in select cases: 20%
- For most assignments: 3%
- Never (we do not estimate costs related to international assignments): 61%

Which of the following statements describe your approach to cost estimates? (Select all that apply.)

- International assignment allowances and benefits: 99%
- Tax and social security costs: 94%
- Relocation costs: 94%
- Prepared at start of assignment: 93%
- Assignee-specific data: 88%
- Vendor fees: 78%
- Incentive compensation (projected): 65%
- Employee benefit plan contributions and deductions (e.g. medical and retirement): 58%
- They are rough calculations: 51%
- They are detailed and precise: 50%
- General data (not assignee-specific): 21%
- Updated annually: 15%
- Updated for change in assignment policy: 13%
- Updated for approved policy exceptions: 12%

Which of the following statements best describes the importance of cost estimates in determining whether or not a pending assignment will be approved?

- They are one of several important factors considered
- They are important but other factors take precedence
- They are the most important factor when considering whether to approve an assignment
- They are used but are not a factor in determining if an assignment will be approved
- They are a minor factor
- Other

Note: Total may not add to 100% due to rounding.

Aside from assignment approval, which of the following statements describe your use of cost estimates? (Select all that apply.)

- They are used for budgeting purposes (89%)
- They are used throughout the year to support financial accruals (39%)
- They are used to compare against actual assignment costs (31%)
- Other (10%)

Emergency evacuation and safety

Which of the following statements best describes your emergency planning for assignees? (Select all that apply.)

- We have contracted a third-party service provider for emergency evacuations/assistance during crisis
- We have a global (not location-specific) plan in place
- We have a specific plan in place for each country where we have assignees
- We have not yet implemented an assignee-specific emergency plan
- Other
- Don’t know

53%


Pre-assignment consultation

Do you provide a pre-assignment consultation to review approved assignment benefits and services?

- Yes — a core policy benefit
- Yes — but for selected assignees only
- Yes — but for certain home-host country combinations only
- Yes — but at the discretion of the organization (flexible/optional benefit)
- No — we do not provide such a benefit to any assignees

80%

**Tax consultation**

Do you provide a tax consultation?

- **Yes — a core policy benefit**
- **Yes — but for selected assignees only**
- **Yes — but for certain home-host country combinations only**
- **Yes — but at the discretion of the organization (flexible/optional benefit)**
- **No — we do not provide such a benefit to any assignees**


For which countries do you provide a tax consultation?

- **Both home and host country**: 94%
- **Host country only**: 3%
- **Home country only**: 3%

Is the tax consultation mandatory for the assignee?


Pre-assignment visits

Do you provide a pre-assignment visit?

Note: Total may not add to 100% due to rounding.

Which statement best describes your approach to pre-assignment visits?

- 38% We provide one trip to determine whether the assignee will accept the assignment ('look-see')
- 18% We provide one trip to find housing and/or schools once the assignment has been accepted ('house-hunting')
- 31% We provide one trip (either 'look-see' or 'house-hunting' but not both)
- 6% We provide two trips (both 'look-see' and 'house-hunting')
- 8% Other

Note: Total may not add to 100% due to rounding.

For how many days do you allow pre-assignment visits (exclusive of travel days)?

- 36% Less than 5
- 62% 5 to 7
- 0% 7 to 10
- 2% More than 10

Who is authorized for pre-assignment visits to the host country?

- **59%** The assignee and the assignee’s spouse/partner
- **20%** The assignee and the assignee’s spouse/partner and children
- **20%** The assignee and the assignee’s spouse/partner and school-age children only when testing is required for school admission
- **1%** The assignee only


Language/cross-cultural training

Do you provide language/cross-cultural training?

<table>
<thead>
<tr>
<th>Language training</th>
<th>Cross-cultural training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes — a core policy benefit</td>
<td>Yes — a core policy benefit</td>
</tr>
<tr>
<td>Yes — but for selected assignees only</td>
<td>Yes — but for selected assignees only</td>
</tr>
<tr>
<td>Yes — but for certain home-host country combinations only</td>
<td>Yes — but for certain home-host country combinations only</td>
</tr>
<tr>
<td>Yes — but at the discretion of the organization (flexible/optional benefit)</td>
<td>Yes — but at the discretion of the organization (flexible/optional benefit)</td>
</tr>
<tr>
<td>No — we do not provide such a benefit to any assignees</td>
<td>No — we do not provide such a benefit to any assignees</td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.

To whom do you offer language/cross-cultural training?

Language training

- The assignee only: 44%
- The assignee and spouse/partner: 35%
- The assignee, spouse/partner and children: 21%

Cross-cultural training

- The assignee only: 16%
- The assignee and spouse/partner: 30%
- The assignee, spouse/partner and children: 54%


Shipping and storage

Do you provide a household goods shipping benefit?

- Yes — a core policy benefit: 83%
- Yes — but for selected assignees only: 6%
- Yes — but for certain home-host country combinations only: 3%
- Yes — but at the discretion of the organization (flexible/optional benefit): 1%
- No — we do not provide such a benefit to any assignees: 7%

What shipping costs do you reimburse? (Select all that apply.)

- **95%** Surface shipment — household goods
- **88%** Air shipment — personal goods
- **74%** Excess baggage (en route)
- **29%** Pet shipment


Do you provide a home country storage benefit?

- **43%** Yes — a core policy benefit
- **28%** Yes — but for selected assignees only
- **14%** Yes — but for certain home-host country combinations only
- **14%** Yes — but at the discretion of the organization (flexible/optional benefit)
- **1%** No — we do not provide such a benefit to any assignees

Home country housing

Of the allowances related to home country housing below, please specify if you provide:

- **Lease cancellation fees**
  - Yes — for all assignments: 31%
  - Yes — on a case-by-case basis: 26%
  - No — we do not provide such a benefit to any assignee: 43%
  - Other: 1%

- **Property management fees**
  - Yes — for all assignments: 18%
  - Yes — on a case-by-case basis: 16%
  - No — we do not provide such a benefit to any assignee: 63%
  - Other: 2%

- **Home sale fees**
  - Yes — for all assignments: 6%
  - Yes — on a case-by-case basis: 11%
  - No — we do not provide such a benefit to any assignee: 79%
  - Other: 3%

- **Loss on sale**
  - Yes — for all assignments: 3%
  - Yes — on a case-by-case basis: 8%
  - No — we do not provide such a benefit to any assignee: 87%
  - Other: 3%

Note: Total may not add to 100% due to rounding.

Home country cars

Of the allowances related to home country cars below, please specify if you provide:

- Lease cancellation fees
- Loss on sale
- Shipment costs to the host country
- Home country storage fees

<table>
<thead>
<tr>
<th>Allowance</th>
<th>Yes — a core policy benefit</th>
<th>Yes — but for selected assignees only</th>
<th>Yes — but for certain home-host country combinations only</th>
<th>No — we do not provide such a benefit to any assignees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease cancellation fees</td>
<td>26%</td>
<td>7%</td>
<td>2%</td>
<td>11%</td>
</tr>
<tr>
<td>Loss on sale</td>
<td>50%</td>
<td>2%</td>
<td>6%</td>
<td>34%</td>
</tr>
<tr>
<td>Shipment costs to the host country</td>
<td>8%</td>
<td>2%</td>
<td>6%</td>
<td>81%</td>
</tr>
<tr>
<td>Home country storage fees</td>
<td>9%</td>
<td>3%</td>
<td>1%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.

Temporary living

Do you provide temporary living?

<table>
<thead>
<tr>
<th>Temporary living</th>
<th>Yes — a core policy benefit</th>
<th>Yes — but at the discretion of the organization (flexible/optional benefit)</th>
<th>Yes — but for selected assignees only</th>
<th>Yes — but for certain home-host country combinations only</th>
<th>No — we do not provide such a benefit to any assignees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes — a core policy benefit</td>
<td>83%</td>
<td>9%</td>
<td>5%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Where do you offer temporary living assistance?

- In both the host and home countries: 66%
- In the host country only: 32%
- In the home country only: 2%


For how many days do you provide temporary living assistance?

- Home country:
  - Less than 15 days: 8%
  - Between 15 and 30 days: 16%
  - Between 31 and 45 days: 25%
  - Between 46 and 60 days: 52%

- Host country:
  - Less than 15 days: 4%
  - Between 15 and 30 days: 19%
  - Between 31 and 45 days: 53%
  - Between 46 and 60 days: 12%

- Home/host combined:
  - Less than 15 days: 3%
  - Between 15 and 30 days: 10%
  - Between 31 and 45 days: 39%
  - Between 46 and 60 days: 25%

Note: Total may not add to 100% due to rounding.
Miscellaneous relocation allowance

Do you provide a miscellaneous relocation allowance (or equivalent)?

- 73% Yes — a core policy benefit
- 11% Yes — but at the discretion of the organization (flexible.optional benefit)
- 9% No — we do not provide such a benefit to any assignees
- 7% Yes — but for selected assignees only
- 1% Yes — but for certain home-host country combinations only

Note: Total may not add to 100% due to rounding.


How is the amount of the miscellaneous relocation allowance calculated?

- 48% It is calculated using a formula (i.e., percentage of annual base salary, one month’s base salary, etc.)
- 29% The same fixed amount is paid to all assignees
- 23% Pre-determined amounts are provided based on various business factors

What is the annual base salary cap or limit when you calculate the miscellaneous relocation allowance (in USD)?

- **Less than $100,000**: 43%
- **$100,000 – $125,000**: 50%
- **$125,000 – $150,000**: 0%
- **$150,000 – $200,000**: 0%
- **Greater than $200,000**: 7%


Travel to assignment location

How do you determine the class of air travel? (Select all that apply.)

- **73%**: Based on business travel policy
- **21%**: Always economy class
- **5%**: Based on seniority of assignee (but different from business travel policy)
- **4%**: Based on duration of travel time (but different from business travel policy)
- **3%**: Always business class
- **2%**: Other
- **0%**: Always first class

Do you provide destination services?

- Yes — a core policy benefit (67%)
- Yes — but at the discretion of the organization (flexible/optional benefit) (11%)
- Yes — but for selected assignees only (13%)
- No — we do not provide such a benefit to any assignees (3%)
- Yes — but for certain home-host country combinations only (7%)

Note: Total may not add to 100% due to rounding.

What destination services do you provide in the host location? (Select all that apply.)

- The services of a designated vendor — full destination services (68%)
- The services of a designated vendor — limited services (e.g. house hunting and/or school search, limited to a set number of days, etc.) (32%)
- Contact information or self-help resources — internal (14%)
- A specific host-entity employee such as a ‘buddy’ or mentor to assist with settling in (12%)
- Contact information or self-help resources — external (12%)

The use of foreign service/mobility premiums continues to decrease in popularity, with only 37 percent of organizations providing such a benefit to their assignees. In contrast, a COLA is provided as a core policy benefit for 69 percent of participants. In calculating the COLA, survey participants tend to rely on the popular ‘standard’ and ‘efficient purchaser’ indices (50 percent and 48 percent, respectively). The use of limited/capped COLA amounts appears to be steadily increasing, as organizations look for opportunities to save costs while still providing the allowance to assignees. Negative COLA practices remain less common, with only 12 percent of organizations implementing this type of policy, versus 80 percent of organizations who do not collect a negative COLA at all. The majority of survey participants (72 percent) pay hardship and danger premiums, relying primarily on outside third-party data providers for hardship/danger location and amount determinations.
Overall, the majority of survey participants discourage the purchase of housing in the host country (73 percent). If a purchase occurs, survey participants have mixed opinions on how to respond: 51 percent will discontinue housing assistance but 29 percent will continue the housing allowance at the same rate as if the assignee were still renting.

Organizations remain split between allowing assignees to go wherever they want when on home leave and requiring them to visit their home country; however, they tend to be aligned on the amount of home leave trips offered per year of assignment (71 percent provide one trip per year) and the practice of providing additional vacation/paid time off during home leave trips (75 percent expect assignees to use their annual entitlement and do not provide additional time off for home leave). KPMG has also noticed that many organizations have or are considering providing a lump sum annual travel payment to minimize program administration and allow greater flexibility in use of an annual home leave travel budget for assignees.

Many organizations that offer incentives for assignees to accept international opportunities extend these benefits to dual-career couples and their children. Benefits for the children of assignees in primary and/or secondary school are almost universal — 99 percent offer some form of benefit. However, a smaller proportion (71 percent) offer benefits to children in preschool and only 19 percent offer benefits for tertiary education levels. Spousal/partner assistance is offered, in some capacity, for 66 percent of participants, most commonly in the form of an allowance that must be used for designated expenses, work visa assistance and/or job search assistance.

**Mobility premium**

**Do you provide a mobility premium (or equivalent)?**

- **63%** Yes — a core policy benefit
- **20%** Yes — but for selected assignees only
- **6%** Yes — but for certain home-host country combinations only
- **6%** Yes — but at the discretion of the organization (flexible/optional benefit)
- **9%** No — we do not provide such a benefit to any assignees

Note: Total may not add to 100% due to rounding.

Host country housing

Do you provide host country housing?

- Yes — a core policy benefit (5%)
- Yes — but for selected assignees only (8%)
- Yes — but for certain home-host country combinations only (5%)
- Yes — but at the discretion of the organization (flexible(optional benefit) (8%)
- No — we do not provide such a benefit to any assignees (74%)

Note: Total may not add to 100% due to rounding.

From where do you obtain information to determine the amount for host country housing? (Select all that apply).

- Third-party data providers (vendors and/or government sources) (86%)
- Organization’s host country entity (4%)
- Local real estate agents (9%)
- Organization’s other assignees in the host country (17%)
- The assignee’s own research (4%)
- Other (1%)
- Other organizations with assignees in the host country (37%)

How do you provide host country furnishings?

- Ship the assignee’s own from the home country if occupying unfurnished accommodations
- Secure furnished accommodations
- Depends on host country practice
- Rent locally
- Provide the assignee with an allowance and let them determine how to source
- Buy locally

Note: Total may not add to 100% due to rounding.

Do you deduct a home country housing norm?

- Yes — a core policy practice
- Yes — but for selected assignees only
- Yes — but at the discretion of the organization (flexible/optional practice)
- Yes — but for certain home-host country combinations only
- No — we do not deduct home country housing norms

Which of the following statements reflects your policy toward the purchase of housing by assignees in the host country?

- **73%** Assignees are discouraged
- **23%** Assignees are neither discouraged or encouraged
- **4%** Other
- **0%** Assignees are encouraged


If the assignee purchases housing in the host country, what action do you take? (Select all that apply.)

- **51%** Housing allowance continues at the same rate as if he or she were renting
- **29%** Home country housing norm is waived
- **20%** Purchase expenses are reimbursed
- **7%** When assignee is leaving the host location, sale expenses are reimbursed
- **4%** Tax costs of sale are reimbursed (for example: capital gains, mortgage exchange rate gains)
- **0%** Host housing assistance is discontinued
- **0%** Other
- **0%** Housing allowance continues at a lower rate
- **0%** Loss on sale is partially or entirely reimbursed

Cost-of-living allowance (COLA)/goods and services differential (G&S)

Do you provide a COLA/G&S or equivalent?

- Yes — a core policy benefit
- Yes — but for selected assignees only
- Yes — but for certain home-host country combinations only
- Yes — but at the discretion of the organization (flexible/optional benefit)
- No — we do not provide such a benefit to any assignees

Note: Total may not add to 100% due to rounding.

Of which of the following types of cost-of-living/goods and services indices does your standard policy make use? (Select all that apply.)

- ‘Standard’ or ‘expatriate’ indices 50%
- ‘Efficient purchaser’ or ‘cost conscious’ indices 48%
- Indices which have been modified or customized in some way to remove or reduce certain items/elements 16%
- Other 4%

Do you cap or limit the amount of COLA/G&S?

- Yes — the annual base salary on which it is calculated is capped: 28%
- Yes — the allowance is limited at a pre-determined amount: 53%
- Yes — but the limit is none of the above: 8%
- No — it is unlimited (notwithstanding the tables and indices): 11%

Note: Total may not add to 100% due to rounding.

What is the annual base salary cap or limit when you calculate the COLA/G&S (in USD)?

- Greater than $200,000: 40%
- $150,000–$200,000: 43%
- $125,000–$150,000: 9%
- $100,000–$125,000: 3%
- Less than $100,000: 6%

Note: Total may not add to 100% due to rounding.
If the cost-of-living in the host country is determined to be lower than that of the home country, do you implement a negative COLA/G&S?

- Yes
- No — and the assignee is informed of the benefit he or she is receiving
- No — but the assignee is not informed of the benefit
- Other

Note: Total may not add to 100% due to rounding.

When do you update the COLA/G&S during the assignment? (Select all that apply.)

- Annually: 34%
- Semi-annually: 31%
- Whenever there is a change in family size: 26%
- Every time there is a salary increase: 20%
- Quarterly: 13%
- Not applicable (the COLA remains ‘frozen’ at the level it was at the beginning of the assignment): 10%
- Every time the third-party data provider’s tables are updated: 8%
- Other: 6%
- Monthly: 1%
- Every pay cycle: 1%

Hardship/danger benefits

Do you provide a hardship/danger premium?

- **51%**
  - Yes — for all assignments in hardship locations (a core benefit)

- **3%**
  - Yes — but for selected assignees only

- **10%**
  - Yes — but for certain home-host country combinations only, excluding some hardship locations

- **8%**
  - Yes — but at the discretion of the organization (flexible/optional benefit)

- **28%**
  - No — we do not provide such a benefit to any assignees even when they are in hardship locations


How is the amount of the hardship/danger premium calculated?

- **75%**
  - Outside third-party data providers

- **13%**
  - Organization-specific formula

- **9%**
  - Government resources (e.g. US State Department, UN)

- **2%**
  - The same fixed amount is paid to all assignees

- **2%**
  - Other

Note: Total may not add to 100% due to rounding.

Do you provide rest and relaxation (R&R) trips?

- Yes — for all assignments in hardship locations (a core benefit)
- Yes — but for selected assignees only
- Yes — but for certain home-host country combinations only, excluding some hardship locations
- Yes — but at the discretion of the organization (flexible/optional benefit)
- No — we do not provide such a benefit to any assignees even when they are in hardship locations

Note: Total may not add to 100% due to rounding.

Host country transportation

Do you provide a host country transportation benefit to assignees (excluding what is provided as part of your COLA)?

- Yes — a core policy benefit
- Yes — but for selected assignees only
- Yes — but for certain home-host country combinations only
- Yes — but at the discretion of the organization (flexible/optional benefit)
- No — we do not provide such a benefit to any assignees

Note: Total may not add to 100% due to rounding.
Under what circumstances do you provide a host country transportation benefit (excluding what is included in the cost-of-living market basket)?

- 33% All assignees are provided with assistance.
- 28% Assignee only receives assistance depending on factors in the host location (e.g., safety, location of organization’s offices).
- 27% Assignee only receives assistance if he or her host location counterparts are entitled to similar assistance (including a car needed for the job position).
- 8% Other.
- 4% Assignee only receives assistance if he or she was entitled to similar assistance in the home country.


What type of host country transportation benefit do you provide? (Select all that apply.)

- Reimbursement of rental lease costs: 71%
- The assignee is provided a car with a driver (in certain country locations): 52%
- Public transportation costs in addition to the assignee’s COLA: 30%
- Reimbursement of operating costs (e.g., fuel, insurance, etc.): 25%
- Assistance to purchase a car (e.g., a loan): 20%
- If a car is provided, the assignee’s COLA is adjusted to remove the transportation element: 17%
- The assignee’s home country benefit (if applicable) is “equalized” if a car is provided so there is no duplication of provision: 16%
- The assignee’s spouse/partner is provided an additional benefit to secure a car: 4%

Spousal/partner assistance

Do you provide spousal/partner assistance?

- 48% Yes — a core policy benefit
- 7% Yes — but for selected assignees only
- 0% Yes — but for certain home-host country combinations only
- 12% Yes — but at the discretion of the organization (flexible/optional benefit)
- 34% No — we do not provide such a benefit to any assignees

Note: Total may not add to 100% due to rounding.

What types of spousal/partner assistance do you provide? (Select all that apply.)

- An allowance or payment that must be used for designated expenses (such as job search expenses or education) 46%
- Work visa assistance at host country 43%
- Job search assistance at host country 33%
- An allowance or payment that can be used for any expense 25%
- Reimbursement of education expenses 14%
- Other 7%
- Partial financial compensation for lost salary 5%
- Full financial compensation for lost salary 0%

Children’s education assistance

Do you provide assistance for children’s preschool, primary/secondary and/or tertiary (college/university) education costs?

Preschool education
- Yes — a core policy benefit
- Yes — but for selected assignees only
- Yes — but for certain home-host country combinations only
- Yes — but at the discretion of the organization (flexible/optional policy benefit)
- No — we do not provide such a benefit to any assignees

Primary/secondary education
- Yes — a core policy benefit
- Yes — but for selected assignees only
- Yes — but for certain home-host country combinations only
- Yes — but at the discretion of the organization (flexible/optional policy benefit)
- No — we do not provide such a benefit to any assignees

Tertiary education
- Yes — a core policy benefit
- Yes — but for selected assignees only
- Yes — but for certain home-host country combinations only
- Yes — but at the discretion of the organization (flexible/optional policy benefit)
- No — we do not provide such a benefit to any assignees

What is your approach to preschool costs?

Eligibility
- Benefits are available to all assignees
- Benefits are available only to selected assignees
- Benefits are only provided if there is no suitable, free education in the host country
- Benefits are paid on a case-by-case basis
- Other

Cost limitation
- All costs (unlimited) are paid by the organization
- Selected costs (unlimited) are paid by the organization
- Costs are paid up to a predetermined amount by the organization
- Incremental costs are paid (excess costs compared to the home country)
- Some costs may be paid on a case-by-case basis
- Other

Which of the following preschool costs are paid? (Select all that apply.)

96% Tuition, registration and other required fees
26% Required materials
23% Transportation
10% Special needs programs
4% Other
2% Meals


What is your approach to primary and secondary schooling costs?

Eligibility

52% Benefits are available to all assignees
13% Benefits are available only to selected assignees
25% Benefits are only provided if there is no suitable, free education in the host country
10% Benefits are paid on a case-by-case basis
0% Other

Cost limitation

14% All costs (unlimited) are paid by the organization
39% Selected costs (unlimited) are paid by the organization
30% Costs are paid up to a predetermined amount by the organization
8% Incremental costs are paid (excess costs compared to the home country)
9% Some costs may be paid on a case-by-case basis
1% Other

Note: Total may not add to 100% due to rounding.
Which of the following primary and secondary schooling costs are paid? (Select all that apply.)

- Tuition, registration and other required fees: 100%
- Books and other required materials: 45%
- Transportation: 34%
- Uniforms (if applicable): 23%
- Boarding school costs — if there is no suitable education in the host country: 15%
- Private tuition: 14%
- Special needs programs: 10%
- Meals: 3%
- Other: 1%
- Extra-curricular activities (e.g. music lessons): 0%


What is your approach to tertiary (e.g. college, university) education costs?

Eligibility

- Benefits are available to all assignees: 28%
- Benefits are available only to selected assignees: 6%
- Benefits are paid on a case-by-case basis: 67%

Cost limitation

- Round-trip tickets to visit the assignee in the host country: 50%
- Additional costs incurred when the assignee’s status in the home country is deemed ‘non-resident’: 6%
- Other: 44%

Note: Total may not add to 100% due to rounding.

Home leave

Do you provide a home leave benefit?

- Yes — a core policy benefit: 80%
- Yes — but at the discretion of the organization (flexible/optional benefit): 9%
- No — we do not provide such a benefit to any assignees: 6%
- Yes — but for selected assignees only: 0%
- Yes — but for certain home-host country combinations only: 6%

Note: Total may not add to 100% due to rounding.

Where are assignees required to go during home leave?

- Their home country: 67%
- Assignees are free to go wherever they would like: 1%
- The organization’s headquarters country (if different than home country): 7%
- Other: 26%

Note: Total may not add to 100% due to rounding.
What is your policy regarding home leave expenses?

**Benefit provision**
- 63% Actual costs are reimbursed
- 15% Assignee receives a lump-sum payment
- 22% Other

**Class of airfare**
- 54% Based on business travel policy
- 15% Always economy class
- 14% Always business class
- 10% Always first class
- 3% Based on duration of travel time (but different from business travel policy)
- 1% Based on seniority of assignee (but different from business travel policy)
- 1% Other

Note: Total may not add to 100% due to rounding.

What types of expenses are included under your home leave policy? (Select all that apply.)

- **Airfare**: 97%
- **Ground transportation (to/from airport)**: 47%
- **Car rental (during home leave)**: 15%
- **Accommodation**: 14%
- **Meals and incidentals (i.e. per diem)**: 10%
- **Other**: 5%

For long-term international assignments (1 year or greater), how many home leave trips do you provide every 12 months? (Select all that apply.)

- 71% Assignees receive one trip per year
- 21% Number of trips is dependent on accompanied/unaccompanied status
- 11% Assignees receive two trips per year
- 9% Other
- 1% Assignees receive more than two trips per year

Do you provide assignees with additional vacation/paid time off during home leave trips?

- 75% Yes — additional time off is granted
- 15% Yes — but only for travel time
- 10% No — assignees are expected to use their annual entitlement

Note: Total may not add to 100% due to rounding.


How many additional days of paid time off for ‘settling-in’ at the beginning of the assignment do you provide?

- 44% We do not provide additional days of paid time off for ‘settling-in’
- 31% Assignees are provided up to 2 days settling in time
- 16% Other
- 10% Assignees are provided up to 5 days settling in time

Note: Total may not add to 100% due to rounding.

### Other leave and time off entitlements

What is the basis of leave and time off (paid and unpaid) for assignees?

<table>
<thead>
<tr>
<th>Vacation</th>
<th>Other paid and unpaid time off</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>43% Home country entitlement</td>
</tr>
<tr>
<td>12%</td>
<td>34% Host country entitlement</td>
</tr>
<tr>
<td>12%</td>
<td>9% The higher of home country and host country entitlement</td>
</tr>
<tr>
<td>1%</td>
<td>7% Headquarters country entitlement</td>
</tr>
<tr>
<td>2%</td>
<td>2% An international assignment or ‘assignee’ entitlement</td>
</tr>
<tr>
<td>9%</td>
<td>9% Other</td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.

Tax services

Do you provide tax return preparation services?

- **88%**: Yes — a core policy practice
- **5%**: Yes — but at the discretion of the organization (flexible(optional practice)
- **4%**: Yes — but for selected assignees only
- **2%**: Yes — but for certain home-host country combinations only
- **1%**: No — we do not provide such a benefit to any assignees


To whom do you provide tax preparation services? (Select all that apply.)

- **82%**: The assignee
- **52%**: The spouse/partner — if separate returns are legally required
- **11%**: The spouse/partner — even if separate returns are not legally required
- **1%**: Other accompanying family dependents

Payroll and pay delivery

Which of the following statements describe the standard payroll and pay delivery mechanisms used for your assignees? (Select all that apply.)

- 54% Assignees are maintained on the home country payroll through which all pay is delivered to them.
- 28% Assignees are moved to the host country payroll through which all pay is delivered to them.
- 26% Assignees have their pay delivered to them partly via the home country payroll and partly via the host country payroll (‘split pay’).
- 25% Assignees are maintained on the home country payroll through which most pay is delivered to them, but some assignment-related allowances are paid via the host country payroll.
- 8% Assignees are moved to a global/offshore payroll through which all pay is delivered to them.
- 3% Other.

In preparation of repatriating assignees back to their home country after completion of the international assignment, 75 percent of organizations begin the planning process 3 to 6 months prior to the expected repatriation date. Provisions most commonly provided as core repatriation benefits include: relocation travel (86 percent), shipment of household goods (85 percent), tax consultation (71 percent) and temporary living (70 percent).

In evaluating their approach to localizing assignees, a large portion of survey participants manage the processes on a case-by-case basis and no formal policy is in place to address the topic (51 percent). When addressed, assignees are more likely to fully transition to the host country compensation and retirement system after a set period of time (51 percent of participants phase out benefits over a 1 to 4 year transition period), rather than retaining home and/or assignment benefits in the new location. Of the few assignment-related benefits that are occasionally maintained when localizing, tax preparation services, host country transportation and children’s education assistance are the most commonly provided.

(Continued)
In outlining the primary reasons assignees leave the organization after returning home, a number of survey participants point to external competitiveness as a factor (30 percent). Others indicate a lack of appropriate jobs available in the home country after repatriation (30 percent).

### Repatriation

#### Which of the following services do you provide for repatriation?

<table>
<thead>
<tr>
<th>Service</th>
<th>Yes — a core benefit</th>
<th>Yes — but for selected assignees only</th>
<th>Yes — but for certain home-host country combinations only</th>
<th>Yes — but at the discretion of the organization (flexible/optional benefit)</th>
<th>No — we do not provide such a benefit to any assignees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-repatriation visit to the home country</td>
<td>5% 4% 0% 5%</td>
<td>86%</td>
<td>71%</td>
<td>3% 4% 8%</td>
<td>14%</td>
</tr>
<tr>
<td>Tax consultation</td>
<td></td>
<td>85%</td>
<td>4% 3% 6% 2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipment of household goods</td>
<td></td>
<td>70%</td>
<td>4% 1% 10%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Temporary living</td>
<td></td>
<td>7% 2% 1% 4%</td>
<td>87%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposition of privately acquired host country cars</td>
<td>7%</td>
<td>59%</td>
<td>3% 1% 9%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous relocation allowance</td>
<td></td>
<td>23%</td>
<td>5% 3% 10%</td>
<td>59%</td>
<td></td>
</tr>
<tr>
<td>Destination services</td>
<td></td>
<td>30%</td>
<td>2% 0% 11%</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>Settling-in time off</td>
<td></td>
<td>86%</td>
<td>1% 1% 3%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Travel to the home country</td>
<td></td>
<td>25%</td>
<td>5% 2% 8%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Repatriation counseling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.

How many days do you allow for temporary living assistance for repatriation?

- Less than 15 days: 20%
- Between 15 and 30 days: 42%
- Between 31 and 45 days: 17%
- Between 46 and 60 days: 11%
- More than 60 days: 5%
- Other: 4%

Note: Total may not add to 100% due to rounding.

How far in advance do you begin planning the assignee’s return to the home country?

- At the beginning of the international assignment: 8%
- 1 year before repatriation: 3%
- 6 months before repatriation: 2%
- 3 months before repatriation: 3%
- 1 month before repatriation: 3%
- We usually don’t have the opportunity to plan the assignee’s repatriation: 26%
- Other: 49%

Note: Total may not add to 100% due to rounding.
Do you agree that your organization manages the repatriation process well?

- **Strongly agree**: 6%
- **Somewhat agree**: 39%
- **Neutral**: 26%
- **Somewhat disagree**: 25%
- **Strongly disagree**: 5%

Note: Total may not add to 100% due to rounding.
Assignment extension and localization

Do you localize assignees (i.e. employees who remain in the host country and whose employment status changes from the home country to host country entity)?

40% Yes — a formal process under policy is implemented

51% Yes — but there is no formal policy (approached on a case-by-case basis)

3% No — we never localize assignees

6% Not applicable — the situation has not arisen


When do you localize assignees? (Select all that apply.)

83% Localizations are employer initiated and depend on business need

45% In response to an assignee’s request for localization

28% All assignees are localized once the assignment reaches a certain year

Which of the following statements best describe your approach to ‘localized’ assignees? (Select all that apply.)

- **64%**
  - Annual base salary is changed to reflect the compensation system of the host country

- **63%**
  - Retirement/pension plan participation is changed from the home country plans to those of the host country

- **52%**
  - The assignee has to effectively resign from the home country entity and a new employment relationship is established in the host country (‘new home country’)

- **46%**
  - Assignment-related benefits are gradually phased out

- **41%**
  - All assignment-related benefits are removed

- **28%**
  - Approached on a case-by-case basis (no formal policy)

- **18%**
  - A transition lump-sum payment is made

- **17%**
  - Assignment-related benefits are all stopped at once

- **15%**
  - Some assignment-related benefits are retained

- **4%**
  - Other

When the decision has been made to localize an assignee, what is the effect on the current assignment-related benefits?

- **Children's education assistance**
  - Maintained: 44%
  - Scaled down to eventual elimination: 7%
  - Eliminated immediately: 9%
  - Not applicable: 40%

- **Club memberships**
  - Maintained: 78%
  - Scaled down to eventual elimination: 2%
  - Eliminated immediately: 2%

- **COLA**
  - Maintained: 76%
  - Scaled down to eventual elimination: 13%
  - Eliminated immediately: 10%
  - Not applicable: 1%

- **Hardship/danger premium**
  - Maintained: 60%
  - Scaled down to eventual elimination: 29%
  - Eliminated immediately: 10%
  - Not applicable: 1%

- **Home country housing/property management fees**
  - Maintained: 45%
  - Scaled down to eventual elimination: 39%
  - Eliminated immediately: 16%

- **Home leave**
  - Maintained: 70%
  - Scaled down to eventual elimination: 21%
  - Eliminated immediately: 9%

- **Host country transportation**
  - Maintained: 46%
  - Scaled down to eventual elimination: 24%
  - Eliminated immediately: 9%

Note: Total may not add to 100% due to rounding.

When the decision has been made to localize an assignee, what is the effect on the current assignment-related benefits?

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Maintained</th>
<th>Scaled down to eventual elimination</th>
<th>Eliminated immediately</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>48%</td>
<td>6%</td>
<td>6%</td>
<td>41%</td>
</tr>
<tr>
<td>Mobility premium</td>
<td>51%</td>
<td>4%</td>
<td>0%</td>
<td>45%</td>
</tr>
<tr>
<td>R&amp;R</td>
<td>67%</td>
<td>3%</td>
<td>31%</td>
<td>3%</td>
</tr>
<tr>
<td>Repatriation benefits</td>
<td>71%</td>
<td>21%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Spousal/partner assistance</td>
<td>44%</td>
<td>3%</td>
<td>52%</td>
<td>2%</td>
</tr>
<tr>
<td>Storage</td>
<td>26%</td>
<td>2%</td>
<td>49%</td>
<td>2%</td>
</tr>
<tr>
<td>Tax preparation services</td>
<td>66%</td>
<td>13%</td>
<td>18%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.
If your localization policy is phased, how long is the transition period?

Assignee has a 1- to 2-year transition period
Assignees are not transitioned, they are automatically made employees in the host country at the time of localization
Assignee has a 2- to 4-year transition period
Assignee has up to a 5-year transition period
Other

Note: Total may not add to 100% due to rounding.

Assignment failure and terminations

Approximately what percentage of assignees leave the organization within 12 months of returning from an international assignment?

Note: Total may not add to 100% due to rounding.
What are the top three reasons why assignees leave your organization after returning from an international assignment?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No appropriate job available in the home country</td>
<td>30%</td>
</tr>
<tr>
<td>Offered a better job/career in another organization</td>
<td>30%</td>
</tr>
<tr>
<td>Unable to apply new skills acquired on assignment</td>
<td>10%</td>
</tr>
<tr>
<td>Difficulty in adjusting to local employee status</td>
<td>8%</td>
</tr>
<tr>
<td>Family issues</td>
<td>5%</td>
</tr>
<tr>
<td>Local employee compensation perceived as insufficient</td>
<td>10%</td>
</tr>
<tr>
<td>Retirement</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: Total may not add to 100% due to rounding.
The majority of survey participants (90 percent — a 7 percent increase from 2016) tax-equalize their assignees on their earnings, following a global tax reimbursement policy for all assignments (56 percent). In the estimation of hypothetical taxes, survey participants predominantly include social insurance and state/provincial/cantonal income tax, while using the home country residence as the basis for calculating hypothetical tax. When applicable, 93 percent of participants apply for a certificate of coverage for their assignees in order to account for duplicate social tax liability issues. If a totalization agreement is not in place for the home/host country combination, 66 percent of participants pay the employer portion and 39 percent pay the employee portion of both the home and host country social tax liability.

Seventy-one percent of survey participants tax-equalize equity compensation (income generated by obtaining, exercising or selling company shares) and 38 percent extend the benefit for the full term of the award, regardless of the home/host country.
Do you have a tax reimbursement policy (e.g. tax equalization, tax protection, gross-up of allowances)?

- Yes: 90%
- No: 10%


Which of the following best describes your tax reimbursement policy?

- It is global for all assignments: 56%
- It is global but we have country-specific addendums: 15%
- It varies based on policy and/or assignment type: 12%
- It is for selected assignees/assignment categories only: 7%
- It is used at the discretion of the organization: 6%
- It is for certain home-host country combinations only: 4%


For organizations that cover personal income under policy, investment income, capital gains and rental income are the three most common items that are covered (63 percent, 55 percent and 48 percent, respectively).
Which one of the following statements best describes your approach when addressing the assignment tax costs in relation to the assignee’s earnings?

- **Tax equalize (includes net-to-net)**: 79%
- **Other**: 7%
- **Tax protect**: 5%
- **Laissez-faire (assignees are responsible for all home country and host country taxes)**: 5%
- **Organization pays the actual host country taxes and the assignee pays the actual home country taxes**: 5%
- **Organization pays the actual home country taxes and the assignee pays the actual host country taxes**: 0%

Note: Total may not add to 100% due to rounding.

Excluding base salary, how are the following elements of company compensation treated for tax policy purposes?

- **Incentive compensation (excluding equity compensation)**: 80%
- **Equity compensation**: 71%

- **Tax equalize (includes net-to-net)**: 8%
- **Tax protect**: 5%
- **Organization pays the actual host country taxes and the assignee pays the actual home country taxes**: 0%
- **Organization pays the actual home country taxes and the assignee pays the actual host country taxes**: 11%
- **Laissez-faire (assignees are responsible for all home country and host country taxes)**: 6%
- **Other**: 5%

Note: Total may not add to 100% due to rounding.
If you tax equalize or tax protect equity compensation, for how long after the end of the assignment do you extend the benefit to the assignee? (Select all that apply.)

- For the term of the award
- Only through the year in which the assignee repatriates
- A fixed number of years after the assignment
- Other
- Not applicable — we do not extend the benefit after the end of the year when the assignment ends
- Until retirement or termination


For how many years after the end of the assignment do you extend the tax reimbursement benefit related to assignment-related equity compensation to assignees?

- 1 year
- 2 years
- 3 years
- 4 years
- 5 years
- Other

How do you track assignee equity awards and associated transactions during and following the international assignment?

39% Combination of internal tracking and third-party service assistance
29% We track manually via spreadsheets internally
11% We do not track equity
8% We license a third-party software tool to manage the process
6% We outsource this process to a third-party services provider
6% Other

Note: Total may not add to 100% due to rounding.

Hypothetical tax

What is the basis of your policy's hypothetical tax?

- Home country residence: 68%
- Home country work location (if different from residence): 2%
- Organization headquarters location (if different from both pre-assignment home country residence and work location): 2%
- Flat rate (e.g. third country nationals with no home country): 2%
- Other: 27%

Note: Total may not add to 100% due to rounding.
What do you include in the hypothetical tax calculation in addition to federal/national tax? (Select all that apply.)

- **State/provincial/cantonal income tax**
  - 84%
  - 

- **Social insurance/social security/social taxes**
  - 75%
  - 

- **Local/city/municipal income tax**
  - 58%
  - 

- **Other**
  - 5%
  - 


Do you apply for certificates of coverage for your assignees, when totalization agreements are available for the home and host country combination?

- **Yes — for all policies**
  - 93%
  - 

- **No**
  - 3%
  - 

- **Other**
  - 4%
  - 

If there is no totalization agreement and there is an additional social tax liability, what portion of the liability does your organization pay?

- Employer’s portion:
  - Home country only: 6%
  - Host country only: 24%
  - Both home country and host country: 69%

- Employee’s portion:
  - Home country only: 12%
  - Host country only: 46%
  - Both home country and host country: 42%

Note: Total may not add to 100% due to rounding.

What do you include as deductions and credits in determining the hypothetical tax?

Assignee continues to file home country tax return

- The actual (income) deductions and/or (tax) credits on the current home country tax return: 24%
- A ‘standard’ or ‘universal’ deduction: 9%
- As above, but with selected deductions and credits modified: 5%
- Other: 4%

Assignee ceases filing home country tax return

- The deductions and credits that would have been on the home country tax return if the assignment had not taken place: 33%
- A ‘standard’ or ‘universal’ deduction: 11%
- As above, but with selected deductions and credits modified: 5%
- The deductions and credits on the last tax return filed: 4%
- Other: 4%

Note: Total may not add to 100% due to rounding.
Personal (non-organization) income

Does your tax policy cover non-organizational (i.e. personal) income?

- Yes: 29%
- No: 68%
- Other: 4%

Note: Total may not add to 100% due to rounding.
Which one of the following statements best describes your approach to tax reimbursement?

Investment income (interest, dividends, etc.)

- Tax equalize: 63%
- Tax protect: 2%
- Organization pays the actual host country taxes and the assignee pays the actual home country taxes: 15%
- Organization pays the actual home country taxes and the assignee pays the actual host country taxes: 0%
- Laissez-faire (assignees are responsible for all home country and host country taxes): 2%
- Other: 17%

Capital gains — principal private residence

- Tax equalize: 45%
- Tax protect: 3%
- Organization pays the actual host country taxes and the assignee pays the actual home country taxes: 15%
- Organization pays the actual home country taxes and the assignee pays the actual host country taxes: 0%
- Laissez-faire (assignees are responsible for all home country and host country taxes): 13%
- Other: 25%

Capital gains — other

- Tax equalize: 55%
- Tax protect: 3%
- Organization pays the actual host country taxes and the assignee pays the actual home country taxes: 13%
- Organization pays the actual home country taxes and the assignee pays the actual host country taxes: 0%
- Laissez-faire (assignees are responsible for all home country and host country taxes): 5%
- Other: 25%

Rental income — principal private residence

- Tax equalize: 48%
- Tax protect: 3%
- Organization pays the actual host country taxes and the assignee pays the actual home country taxes: 10%
- Organization pays the actual home country taxes and the assignee pays the actual host country taxes: 0%
- Laissez-faire (assignees are responsible for all home country and host country taxes): 13%
- Other: 28%

Self-employment

- Tax equalize: 32%
- Tax protect: 0%
- Organization pays the actual host country taxes and the assignee pays the actual home country taxes: 14%
- Organization pays the actual home country taxes and the assignee pays the actual host country taxes: 0%
- Laissez-faire (assignees are responsible for all home country and host country taxes): 24%
- Other: 30%

Note: Total may not add to 100% due to rounding.

Which one of the following statements best describes your approach to tax reimbursement of spousal earnings?

- Laissez-faire (assignees are responsible for all home country and host country taxes) 37%
- Always tax equalize 35%
- Tax equalize if spouse remains in home country 12%
- Organization pays the actual home country taxes and the assignee pays the actual host country taxes 9%
- Organization pays the actual host country taxes and the assignee pays the actual home country taxes 2%
- Tax protect 2%

Note: Total may not add to 100% due to rounding.

Do you limit the amount of personal income included in the tax reimbursement benefit?

- Yes — by reference to annual base salary 9%
- Yes — the amount of income is limited at a pre-determined amount 56%
- Yes — other 9%
- No — it is unlimited 26%

In a continuously heightened regulatory and risk environment globally, compliance with immigration laws continues to be a key focus for organizations in 2017, with 79 percent of participants identifying the issue as being an important to critical motivation for key business stakeholders. To ensure compliance, participants primarily outsource immigration services to global law firms focused only on immigration law, and most work with different providers selected at the local country level (46 percent). While 39 percent of participants rely on outside counsel to assess immigration document requirements for quality control and risk tracking purposes, 38 percent do not have quality control procedures currently in place to track the immigration process.
What type(s) of organization(s) do you outsource immigration services to?

1. Global law firm focused on immigration only
2. Firm that provides immigration and tax support
3. Global relocation provider
4. Whichever immigration provider (not necessarily a law firm) our local office chooses
5. International law firm
6. Whichever law firm our local office chooses
7. Firms or companies belonging to a particular network (although unrelated)

Source: KPMG International, GAPP Survey 2017

What are the key conditions included in your immigration compliance policy? (Select all that apply.)

- We do not have an immigration compliance policy: 52%
- Zero tolerance for immigration compliance breaches: 38%
- Outline of process for achieving compliance: 27%
- Management message outlining corporate compliance objectives: 20%
- Consequences of non-compliance: 18%
- Assignation of responsibility among parties for meeting corporate compliance objectives: 17%

Source: KPMG International, GAPP Survey 2017
How would you rank the motivation to comply with immigration laws among key business stakeholders?

Note: Total may not add to 100% due to rounding.

Who is responsible for immigration and business travelers within your organization?

Note: Total may not add to 100% due to rounding.
Please indicate which of the following best describes your organization (in relation to managing immigration needs).

- We manage immigration centrally in our company (42%)
- We manage immigration regionally (37%)
- Our HR or mobility teams handle immigration locally at the destination country (21%)


Please indicate which of the following best describes your organization (in relation to immigration service providers).

- We work with one global immigration service provider worldwide (32%)
- We work with regional immigration service providers (14%)
- We work with different immigration service providers selected at a local country level (46%)
- We handle immigration compliance ourselves (8%)

Which statement best describes your organization’s approach to use of IT tools for managing immigration processes? (Select all that apply.)

- We do not use IT tools to manage immigration processes in our organization 65%
- We use an IT tool for case status monitoring 17%
- We use a global IT tool to manage immigration processes worldwide 15%
- We use an IT tool for data storage 15%
- We use several IT tools to manage all immigration processes in different locations 10%
- Our assignees have access to an IT tool while managing immigration processes 10%
- We use an IT tool for sending out automatic reminders to all parties involved in immigration processes 5%


Which statement best describes the source of the IT tool used by your organization for managing immigration processes? (Select all that apply.)

- We do not use IT tools to manage immigration processes in our organization 57%
- Offered by immigration services provider 35%
- Designed specifically for our organization 6%
- Purchased on the market and tailored for our needs 5%
- Offered by other services provider (e.g. tax provider) or included in our expat management IT tool 4%

Which statement best describes your organization’s approach to immigration process quality control and risk tracking? (Select all that apply.)

We have outside counsel assess immigration document requirements for all travelers 39%
We do not have quality control procedures over immigration processes 38%
We set regular internal control procedures/reviews over immigration processes 18%
We have an internal process for assessing immigration document requirements for all travelers 17%
We set regular control procedures/review over immigration processes with outside counsel 15%
We track post-assignment trailing liabilities 7%


Do your emergency evacuation protocols include immigration advice and assistance?

Yes 28%
No 72%

The majority (59 percent) of organizations do not currently rely on mobility management technology to manage various aspects of their program. Of those that do utilize technology, administration/data management, cost estimation and compensation collection tools are the leading solutions that participants leverage (and are also the most important solutions in assisting these administrative tasks).

When choosing a global mobility management solution, data analytics/reporting capability is the leading factor in the selection process (27 percent), while integrated workflow and user interface are also important decision factors.
Are you currently leveraging mobility management technology, outside of tax compliance, to manage aspects of your global mobility program?


For which aspects of your international assignment program do you use any specifically designed technology applications/platforms to assist in administration? (Select all that apply.)

Please select the types of global mobility technology being leveraged. (Select all that apply.)

- Assignment management solution: 87%
- Tool to quantify assignment costs: 52%
- Tool to collect and store worldwide compensation: 46%
- Global equity tracking/sourcing tool: 29%
- Self-service platform: 19%
- Business traveler risk assessment tool: 17%


As a user or reviewer of global mobility technology solutions, which system is most important to you?

- Assignment management solution: 43%
- Tool to quantify assignment costs: 19%
- Tool to collect and store worldwide compensation: 14%
- Business traveler risk assessments: 12%
- Self-service platform: 10%
- Global equity tracking/sourcing tool: 2%

What are the top three most important factors in choosing a global mobility solution?

- **27%** Data analytics and reporting
- **23%** Integrated workflow
- **17%** User interface and easy adoption

- **11%** Self-managed, configurable features
- **2%** Ongoing training and support
- **13%** Customization capabilities
- **6%** Overall system security or role-based security

Note: Total may not add to 100% due to rounding.

Fifty percent of survey participants are using analytics to guide their global mobility policy and decision-making. Supporting the strategic partnership between global mobility and the business is the primary value that participants believe mobility analytics can bring to the organization, while also providing a foundation for policy and process decisions. From an assignee perspective, participants also view mobility analytics as positively contributing to selection and retention (29 and 34 percent, respectively). Of the various mobility analytics solutions, cost analytics (34 percent), workforce analytics (27 percent) and assignee identification analytics (14 percent) are the tools that participants identify as bringing the most value to the organization.
Is your organization using analytics today to guide global mobility policy and decision-making?

- No, we are not using analytics yet (50%)
- Yes, we are just beginning to use analytics (43%)
- Yes, we are using analytics in a significant way (8%)

Note: Total may not add to 100% due to rounding.

What is the primary reason that inhibits your organization’s use of mobility analytics?

- Lack of global mobility bandwidth to collect and analyze information (29%)
- Not applicable to my organization (27%)
- Necessary data is not available to analyze (22%)
- Lack of budget (14%)
- Management does not see value (10%)
- Other (5%)

What is the primary value that you expect the use of mobility analytics to bring to your organization?

- **45%** Support strategic partnership with the business
- **25%** Create a foundation for policy and process decisions
- **9%** Build a business case for the global mobility function
- **6%** Improve regulatory compliance
- **3%** Improve the assignee experience
- **3%** Other
- **9%** None of the above


With respect to assignee experience, what is the specific area where you believe analytics can provide the most value?

- **34%** Assignee retention
- **29%** Assignee selection
- **19%** Speed to deployment
- **13%** Other
- **4%** Family satisfaction

Note: Total may not add to 100% due to rounding.
How can mobility analytics most significantly contribute to assignment success?

- **53%**: Defining metrics to measure success
- **20%**: Helping ensure regulatory compliance
- **15%**: Facilitation of succession planning
- **7%**: Selecting the best candidates
- **5%**: Other


If applicable, why isn’t the necessary global mobility data available for your organization to analyze? (Select all that apply.)

- No mobility-specific technology to gather the data: 41%
- Too many systems with relevant data: 28%
- Not applicable to my organization: 12%
- Unsure of what data would be required: 10%
- Unsure of where the data is stored: 6%
- Other: 12%

Rank the following in order of value to your organization:

1. **Cost analytics**
   Use D&A to establish a cost model for your project-specific workforce.

2. **Workforce analytics**
   Use D&A to analyze/connect the talent in your recruiting database to the skill set needed for mobility assignments; plan role requirements based on current and future global growth expectations.

3. **Assignee identification analytics**
   Use D&A to focus on the cost drivers of sending the right employees to the right location (e.g. foreign tax credits, totalization agreements).

4. **Expenditure analytics**
   Use D&A to analyze assignment policy exceptions, modifications, retro payments, etc. to identify factors leading to exceptions, frequency of occurrence, associated risks and true cost.

5. **Employee retention analytics**
   Use D&A to predict which mobile employees are at risk of attrition and which candidates/assignments are at a higher risk of failure.

6. **Business traveler analytics**
   Use D&A with your travel data to more effectively estimate exposure associated with frequent business travelers; predict the impact of upcoming immigration law changes on your company’s business travel patterns.

7. **Succession planning**
   Use D&A to identify traits in local successors that would indicate long-term success and use data to develop local training programs.

8. **Deferred compensation analytics**
   Use D&A to alert mobile employees to upcoming tax law changes that may impact their outstanding deferred compensation.

9. **Other**

How to access KPMG International’s GAPP survey

How to get started

— Access the 2017 GAPP survey website page on: kpmg.com/gappsurvey.

— At the 2017 GAPP survey website page you will find a direct URL link to take the survey. Helpful information regarding the GAPP survey’s design and important instructions for taking the survey are also provided.

— Please note that it is necessary to complete the survey in order to view results. If you encounter any problems accessing the site or registering, please contact us at: us-kpmg-mcs@kpmg.com.

About the survey website

A feature of the survey website is the ability to view the data by any specific question of interest. Participants find this useful in evaluating their organizational policies against a specific set of parameters, as well as against peer or competitor organizations. In addition to key organizational demographics and global mobility policy overview, the survey questions follow an overarching framework of the key phases of an international assignment lifecycle with additional relevant topical categories covering immigration compliance, assignment management technology leverage and program D&A insights.

Survey results

Participation in the survey is free and a summary of your responses will be made available immediately after you have completed the survey. Your individual response report can also be downloaded as a PDF, if desired.

As a participant in the survey, you will also receive an email notification with a copy of this year’s survey results and findings.

Data cut

If you would like a specific data cut from this survey, please send an email to us-taxgmsurvey@kpmg.com. While the full survey results are free, a nominal fee is charged for the data cut.
KPMG’s Global Mobility Services practice

KPMG’s Global Mobility Services (GMS) practice is dedicated to helping global companies better manage their international workforce. When clients send their employees on international assignments, KPMG’s GMS professionals provide proactive expatriate services along with international human resources and tax advice. When clients are considering acquisitions, mergers or downsizing, the practice offers professional advice and guidance on related issues affecting an expatriate workforce.

How KPMG’s GMS practice can help

KPMG’s GMS practice has the people, experience and international presence to serve member firm clients effectively. Established more than 30 years ago, the practice today comprises more than 4,000 dedicated GMS professionals from KPMG member firms worldwide. The practice serves more than 2,500 clients and their expatriate populations.

KPMG’s GMS practice provides broad compliance, advisory and administration services to support clients’ worldwide businesses and assignees.

International tax compliance services

KPMG’s network of tax professionals complete tax returns for clients’ international assignees, a service personalized for each expatriate. As part of the compliance process, the practice also offers payroll advisory services to help member firm clients obtain payroll information to be used in processing tax returns.

Mobility Consulting Services

KPMG’s Mobility Consulting Services (MCS) practice has in-depth experience in assisting clients in managing their international human resources. For more than 15 years, MCS has provided services to companies to help them manage their assignment administrative processes and related costs more effectively. In addition, member firm clients rely on MCS professionals’ knowledge and experience to help them benchmark, design and implement their international assignment policies. The experience of KPMG member firms in serving global employers truly distinguishes them as leaders in progressive process improvements for international human resources. KPMG member firms’ services encompass both strategic and administrative support.

One potentially effective way to contain the administrative costs associated with international transfers is for organizations to consider outsourcing those processes that are not part of their core business to external service providers. KPMG professionals can provide assistance with effective management of routine administration for international assignment programs that allow companies to focus on the high-level strategic human resource aspects of their programs. The service can encompass nearly every component of international assignment lifecycle administration, including pre-assignment cost planning and budgeting; pre-departure services including relocation and immigration vendor coordination; on-assignment services including coordination of payroll instructions, shadow payroll delivery, ongoing global compensation collection and year-end reporting, assignee support and tracking; and assignee repatriation support.

Global equity tax advisory

Global equity tax compliance for employees who have worked or lived in a location and received or earned equity and incentive awards can expose companies to the tax reporting and withholding associated with providing these types of awards long after the employees have physically left the location. Understanding the complex tax rules in this area, and defining a process to report, withhold and handle large volumes of transactions are just some of the services KPMG firms offer in this area.
International social security advisory

KPMG member firms can help companies plan for, and control the costs of, social security taxes by helping them understand the rules and how they impact the cost of international assignments.

Employment tax services

KPMG member firm professionals can help companies identify payroll and unemployment tax issues early and help resolve them before they escalate. This includes assistance in identifying, quantifying and recovering payroll tax overpayments, complying with employment tax requirements during mergers and acquisitions (M&A) and securing the abatement of penalties for payroll-related assessments.

Compensation and benefits

KPMG member firms can assist your organization with leveraging your compensation and benefits program by aligning your company’s goals and resources to gain a competitive edge. Their compensation and benefits professionals can assist you in designing and implementing plans and processes that will allow you to manage costs, improve performance, attract and retain employees and boost your bottom line. KPMG’s GMS practice comprises professionals from a variety of backgrounds, including accountants, actuaries, human resources generalists, benefits consultants, Health Plans & Benefits (ERISA) and technology practitioners, experienced private-sector compensation and benefits administrators, and former government officials.

GMS technology

KPMG’s GMS practice combines its knowledge of web-based technology with its practical experience in helping member firm clients manage their assignment programs to provide companies with applications designed to streamline their global mobility and tax processes. The GMS practice’s technology offerings — featuring the web-based, integrated and user-friendly KPMG LINK Work Force suite — provide applications for tax compliance, tracking and assessing business travelers, global compensation collection, financial modeling, global equity tracking and international assignment program management.

For more information about these services, please contact the team by email at us-taxgmssurvey@kpmg.com or visit kpmg.com/globalmobilityservices
Accompanying spouse/domestic partner: as determined by the assignee’s home country organization’s policies, a companion to the assignee who is included in the definition of family for purposes of international assignment benefits. Status may be married or unmarried and same gender or opposite gender.

Assignee: an employee of the organization who leaves their original country of employment to work in another country for a temporary period of time, normally longer than 3 months.

Assignee-requested assignment: employment provided by the organization in another country at the request of the employee for a specific period of time that is solicited/initiated by the employee. This type of policy normally offers minimal benefits and is often used when the employee’s spouse/partner is offered an assignment by their employer. Also known as an accommodation assignment.

Assignment-related benefits: a general term covering all elements of remuneration provided in connection with a temporary transfer across national borders.

Candidate assessment/selection: a prescreening process used to identify ‘assignment-ready’ employees often by functional area (e.g. finance, marketing, product support). Typically, this includes assessing an employee’s potential for an international assignment relative to their career path and the needs of the organization. A family’s adaptability may also be analyzed.

Commuter assignment: a temporary transfer across national borders that allows the employee to reside part-time in their home country on a regular basis, often weekends, while working in the host country, usually weekdays. Most often seen among neighboring countries, especially in Europe.

Company/employment/organization-source income: all compensation paid to the assignee by their employer.

Cost of living: the aggregate of goods and services prices for a specific “market basket” of items that enables comparisons among locations.

Cost-of-living allowance (COLA): a differential payment to (or withholding from) assignees to address differences in purchasing power between home and host countries. It is usually derived by applying a cost-of-living index to an employee’s home country spendable income.

Cost-of-living index: a ratio of costs of goods and services in the home country compared to the host country (generally provided by outside vendors) used in calculating the cost-of-living allowance. It incorporates differences among nationalities with regard to spending and purchasing patterns.

Cross-cultural training: education in the customs, practices and/or languages of the host country for the assignee and/or accompanying family to familiarize them with the new environment in which they will live and work during the international assignment. Most often provided by a third-party vendor.
Dependent (child or parent): those who rely on the assignee for the majority of their financial support and are usually considered family for the purpose of calculating the assignee’s international assignment-related allowances. This may include unmarried children (natural or adopted) typically under the age of 19 who would normally reside with the employee in the home country or other dependent relatives as approved by the organization’s international assignment policy.

Destination services: assistance provided to the assignee and family upon arrival in the host country to help them settle into their new surroundings. Usually includes assistance in finding a residence, arranging schooling for dependent children, and guidance regarding shopping, transportation and driver’s licenses. Most often provided by a third-party vendor.

Development/training assignment: a temporary transfer across national borders that is primarily aimed at providing the employee with the skills and experience judged necessary to progress within the organization. These types of assignments usually provide limited ongoing assignment-related benefits.

Dual career: a situation where both the prospective assignee and their spouse/domestic partner are fully employed professionals, either by the same organization or by different organizations. When the spouse/domestic partner is employed by a different organization, this often forces the couple to choose between the assignment opportunity and the spouse/domestic partner’s job.

Efficient purchaser index: a measurement of the ratio of the cost of living between the home and host locations that assumes that an assignee is a ‘smart shopper’ and is able to purchase goods and services more economically than the average (newly arrived) assignee. A variation of the standard index, it incorporates differences among nationalities with regard to spending and purchasing patterns.

Estate tax: a tax imposed on the right to transfer property by inheritance and assessed on the net value of a deceased person's estate before distribution to the heirs. Also called death tax.

Extended Business Traveler (EBT): an EBT is generally defined as an employee who travels internationally on business on a temporary basis for a minimum of 10 consecutive days at any one time during a 1-year period to a given country.

Family size: a number that includes the assignee and any dependents who accompany the assignee to the host country. The home country family size may include qualified tax dependents who do not physically relocate to the host country.

Foreign service (mobility) premium: an incentive payment (usually expressed as a percentage of base salary) to encourage the acceptance of an assignment. Some organizations also pay upon the successful completion of an assignment.

Furnishings/appliance allowance: a payment to an assignee to purchase or rent certain household furniture, white goods or other appliances for their host country accommodation if such items are either absent or of unacceptable quality in the host country.

Gift tax: a supplement to the estate tax, it is a graduated tax assessed against a person who gives money or an asset to another person without receiving fair compensation in return. Each country’s income tax code governs the amount of each gift that can be considered tax-free.

Hardship/danger allowance: a payment (generally calculated as a percentage of base salary) to compensate the assignee for undesirable cultural, social, physical or other conditions. Hardship is usually determined by the measurement of certain criteria by both vendors and government agencies.

Home country: the location where the assignee worked prior to the international assignment and to where it is intended the assignee will repatriate at the end of the assignment(s). The home country may or may not be the assignee’s country of citizenship or residence.

Home leave: a benefit provided to the assignee and family to enable them to travel to the home country in order for them to maintain ties with colleagues, friends and family at home. Some organizations do not require home leave to be taken to the home country.

Host country: location across national borders to which the assignee is temporarily sent to work from the home country.

Household goods: household items, including furniture and personal effects that are sent by sea, air and/or ground to and from the host location.

Housing benefit/allowance: financial assistance related to the provision of accommodations in the host country for the assignee and accompanying family. Sometimes expressed as the total cost of foreign housing or as the foreign housing cost net of a home country housing norm.

Housing offset/norm/notional expense/contribution: an approximation of typical home country housing costs that would normally be borne by employees of the same base salary and family size in the home location. Many organizations will adjust the housing norm annually to reflect increases in home location housing and operating costs (e.g. property taxes, utilities).

Hypothetical/tax norm: under the process of tax equalization, the assignee’s share of their worldwide tax burden. This is normally determined by estimating the amount of taxes that the employee would have paid had they remained in the home country.
**Indefinite assignment**: a temporary transfer across national borders that does not have an anticipated end date but is still intended as temporary (rather than permanent assignment/permanent transfer). This type of assignment typically offers minimal relocation and transition benefits.

**International assignment**: a temporary transfer across national borders, normally lasting more than 3 months.

**International assignment policy**: the organization’s formal statement of international assignment-related compensation, benefits, perquisites, logistical and other assistance.

**Interregional assignment**: a temporary transfer across national borders where the home and host countries are both within a defined geographical area (e.g., Western Europe, Southeast Asia).

**Key money**: in some locations, payment made to a landlord as an inducement to assure a host housing rental contract.

**Laissez-faire**: the organization takes no stand and offers no assistance to the employee in income and social tax matters; the employee is on their own for the filing and payment of home and host taxes.

**Language training**: if the language spoken in the host country is not the employee’s native language, language training classes may be offered for the assignee and/or accompanying family members.

**Local employee**: a person working for the organization in their home country without any assignment-related benefits.

**Localization/localizing**: the transitioning of an assignee to an employment status/package in the host country equivalent to that of host country nationals. The length of transition may vary among different organizations and industries.

**Local-plus assignment**: a temporary international assignment in which the distinguishing feature of a local-plus assignment package is that a company often provides more above-base compensation benefits, such as a subsidy towards housing, school tuition, tax assistance and/or preparation, or some other negotiated element that places the assignee in a similar, but not equivalent level with local employees. These employees typically also remain on their home country social security program, and do not intend to move permanently to the host location. Traditionally, a local-plus concept has become more popular as a way for companies to bridge the gap between a full ‘balance sheet,’ expatriate package assignment and a true local package that may not be attractive enough to entice the very best candidates for the position in the host country.

**Long-term (standard) assignment**: a temporary transfer across national borders, normally lasting between 1 and 5 years, though often extended.

**Lump sum**: a one-time cash payment to an assignee of at least two or more international assignment-related allowances or expenses, combined to replace separate or itemized payments.

**N/A (not applicable)**: elect this choice when the question pertains to a policy, practice or issue that does not arise in connection with your program.

**Norm**: a standard, model or pattern regarded as typical.

**Organization**: term relating to the business entity primarily responsible for the creation and administration of international assignment policies and practices, and a general term used to describe the assignee’s employer, such as a company, foundation or firm.

**Outsource**: retaining the services of an outside party or vendor to perform a function that was previously performed within the organization.

**Per diem**: a cash payment to an employee to cover certain temporary living expenses, usually meals, hotel and incidental expenses, expressed as a daily rate. When delivered at a government-determined rate to cover business travel expense, a per diem can often be tax-free.

**Permanent assignment/permanent transfer**: a one-way transfer across national borders. The individual is normally considered to be an employee of the host country entity, severing ties with the home country entity, and is often only provided relocation and limited transition benefits.

**Personal income**: all earnings realized by the assignee (and spouse/dependent family members) from sources other than the assignee’s employer.

**Pre-assignment**: the period of time after a candidate for assignment has been identified but before their departure from the home country.

**Pre-assignment visit/trip**: a trip to the host country for the assignee (and possibly other accompanying family members) prior to the start of the assignment to make certain arrangements and view the possible new surroundings.

**Project-/contract-specific assignment**: a temporary transfer across national borders that is dependent on the completion of specific tasks or deliverables. The level of assignment benefits is often dependent upon the relative generosity of the financial terms of the contract or project budget.

**Property management**: services of a vendor to maintain and/or rent the assignee’s home country residence (usually restricted to their primary residence) during the assignment.

**Relocation/disturbance/miscellaneous expense/settling-in allowance**: a lump-sum cash payment to the assignee to cover the cost of incidental expenses not specifically covered by other aspects of the company’s international assignment policy.

© 2017 KPMG International Cooperative (“KPMG International”). KPMG International provides no client services and is a Swiss entity with which the independent member firms of the KPMG network are affiliated.
Repatriation: the return of the assignee to the home country at the completion of the assignment.

Rest and relaxation (R&R): additional leave(s) usually provided when the host country is deemed a hardship location. This is often a separate leave from vacation and is used to allow the employee and eligible dependents a chance to visit a country that is similar to the home country culture for rest and relaxation.

Return on investment (ROI): evaluation of the overall cost (investment) of an expatriate assignment relative to the impact to the ‘bottom line’ for the organization. Often measured against the metrics and goals set for the assignment.

Reversible/international standard index: a ratio of costs of goods and services on specific items (‘market basket’) in the home country compared to the host country that does not incorporate the assumption that different nationalities will spend differently (as opposed to other cost-of-living index calculations).

Rotational assignment: a temporary transfer across national borders that requires the assignee to work for a designated number of consecutive days in the host country, followed by a designated number of consecutive days leave (taken in the home country, host country or another ‘leave location’).

Salary cap: an upper limit or ceiling, usually expressed in terms of annual base salary to be used in the determination of allowances or a limitation on the maximum value of an allowance.

Sequential/subsequent assignment: often called ‘back-to-back’ assignments. Rather than repatriating at the conclusion of the original assignment, the assignee is expatriated to another subsequent location without returning to the home location.

Short-term assignment: a temporary transfer across national borders that generally lasts more than 3 months and less than a year.

Spendable income: the portion of base salary that is normally devoted to the purchase of goods and services (e.g. food, clothing, entertainment, medical care). This amount is not a fixed percentage of base salary; rather, it varies according to nationality, income level and family size.

Spousal assistance: assistance to recognize that spouses who accompany employees on international assignments may experience a disruption in their careers or self-improvement pursuits. May include job search, personal development or other assistance.

Spousal income: all earnings attributable to the assignee’s spouse/domestic partner.

Tax: a fee charged (‘levied’) by a government on a product, income or activity. If a tax is levied directly on personal or corporate income, then it is a direct tax. If tax is levied on the price of a good or service, then it is an indirect tax.

Tax briefings/consultations/orientations: a meeting or discussion between the assignee and a tax professional to discuss the income and social tax implications of the assignment for both the home country and the host country.

Tax equalization/equalize: a compensation methodology for calculating the assignee’s share of their worldwide tax burden by attempting to ensure that the employee is financially ‘no better or worse off’ than they would have been had the assignment not taken place.

Tax gross-up: a mathematical calculation to determine the final obligation to the taxing authorities when the company pays a tax liability on behalf of the assignee.

Tax preparation: services of a tax professional to prepare the assignee’s home country and/or host country tax returns.

Tax protection/protect: a compensation methodology for calculating the assignee’s share of their worldwide tax burden by attempting to ensure that the employee is financially ‘no worse off’ than they would have been had the assignment not taken place. It differs from tax equalization in that, in theory, the employee could receive a tax windfall in an assignment location with a tax rate lower than the assignee’s home country.

Tax reimbursement calculation: the reconciliation of the assignee’s tax contribution (via a hypothetical/tax norm) versus his or her obligation as defined by the tax reimbursement methodology.

Tax reimbursement methodology: the compensation philosophy used to calculate the assignee’s share of their worldwide tax burden (e.g. laissez-faire, tax equalization, tax protection).

Temporary living: the period of time between the assignee leaving permanent accommodation in the home country and moving into permanent accommodation in the host country.

Unaccompanied assignment: a temporary transfer across national borders where the employee’s immediate family remains in the home country. These types of assignments often provide for additional trips to and from the home and host countries for the separated family members. Host country assignment benefits are normally based on that of a single person.

White goods: household merchandise, such as bed sheets and curtains, previously made from white fabrics but now often colored, and/or large household appliances, such as ovens and refrigerators, previously finished with white enamel but now often colored.

Work permit/visa: all countries require valid identification (passport) for lawful entry. In addition, most countries require a valid work permit/visa before an assignee may live and work in that host country. Often, a spouse cannot be gainfully employed under the work permit/visa of the assignee.
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