

International Relocation Guide



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Make it Smooth Sailing with Relocation Services

Your company is opening a new sales division in Portugal. Several members of the sales team are being relocated to the new office. As an HR director, this falls on your “to-do” list. Feeling overwhelmed yet? Probably, and it’s just getting started!

As you know, an international relocation is more complex than a domestic transfer, which means you’ll have more details to check off your list. And, many of the details—from the actual move to expenses—may not even have occurred to you. The following list is just a few things you need to consider:



- ▶ Assignment Services – Remember when it was a hassle to get a passport? Now, you likely also need to think about helping an employee acquire a visa, work permit or even citizenship.
- ▶ Language and Cross-Cultural Training – When traveling, it takes a while to become accustomed to a new country’s language, culture and customs. If traveling for pleasure, the acclimation usually isn’t a problem because it doesn’t need to be quick. However, when employees have to adjust to a new worksite in a foreign country it can mean a delay in productivity.
- ▶ Destination Services – Don’t forget the employee’s partner and family. This is a tough transition on them, too. Quality-of-life questions are a real concern for the relocating family. Will the neighborhood be nice? How about the cost of living in the new country?
- ▶ Home Sale/Purchase – We all know the anxiety that goes with selling a home in this uncertain economy. If the employee is in another country, worrying about their home sale situation can be a major distraction from work. You want to do everything you can to help with a smooth transition to get your employee back in productivity mode. If the employee opts to rent out their home, property management services are also a good option.
- ▶ Moving a Household – Talk about stress! Moving is one of the most stressful life events – even when it’s a positive, exciting opportunity.

Help Employees Assimilate to a New Culture during an International Relocation

When you help your employees learn the foreign culture in the weeks prior to, and during, an international relocation, you'll ensure a faster return to full productivity in the office, greater productivity and increased employee retention.

How can you help make an international relocation go as smoothly as a move within the States?



- ▶ Multiple trips abroad can help your relocating employees understand the new culture. Help employees (and their families) connect with local networking organizations and sports clubs made up of both locals and expatriates. Find similarities to home, while also helping employees embrace the foreign country prior to their international relocation.
- ▶ Foreign language lessons not only make your relocating employees more productive in the office, but also make them happier following the move, which improves retention.
- ▶ Help your employees make sense of laws affecting expatriates. New health care laws slated to go into effect in 2014 and 2015 may help reduce costs for employees living and working abroad. Let employees know about other positive changes and benefits they may experience as a result of their international relocation, too.
- ▶ Help your employees navigate the confusing maze of paperwork that comes with international relocation, including obtaining visas and registering children in a new school.

Managing International Relocation Expenses and Expatriate Salaries

There are several methods to calculate expatriate salaries during international relocation. One of the most common methods--although often the most costly—is the home-based method.

This method looks at the cost-of-living at the expatriate employee's home base, and calculates the salary based on those figures. This may result in an expatriate being paid more than his local counterparts, but is a fair arrangement to employees, especially for short-term assignments

International Relocation Expenses to Cut

Even if you use a home-based system for calculating salaries, there are other ways you can reduce international relocation expenses.

- ▶ Reduce the location allowance by taking into account hardship in the home location, as well as reduce or eliminate the hardship allowance or any transferee bonuses.



- ▶ Select a lower level of subsidy for the Cost of Living Allowance.
- ▶ Use more conservative housing standards to determine host housing subsidies.
- ▶ Let the employee contribute to home housing costs.
- ▶ Reduce or eliminate familiarization trips, language lessons and other benefits, or find lower cost ways to offer these services.

Reduce International Relocation Expenses with a Host-Based Salary System

With most international relocations, U.S.-headquartered companies can save money by using a host-based system to calculate salaries. In this system, employees are paid based on the cost-of-living and average salaries in the host country.

Cut Costs with Trainees

Twenty-three percent of companies expect an increase in the number of trainee or developmental assignments overseas, according to a white paper released by Worldwide ERC. Many of these employees are willing to accept a reduced salary or relocation package in exchange for the experience of an international

International Relocation Service Helps Companies Face New Challenges

Don't let the challenges behind an international relocation scare you out of the right choice for your company's growth. However, an international relocation is generally not the time to try managing it all on your own; these relocations are complex and time consuming. One good option is to contract with a full-service relocation services company. A firm experienced in international relocation services helps you navigate foreign waters by managing paperwork, filing taxes and handling the actual relocation of employees.

