

Local Plus Program Market Practices

Year over year, companies seek to offer support for their mobile population that provides an exceptional employee experience, achieves business objectives, and reflects corporate culture and values. To accomplish this, Graebel partners with these organization to provide strategic guidance in developing and transforming their relocation programs using our “people-first” approach to talent mobility. The following is a summary of typical practices of this market for local plus programs.

Program definition and eligibility



A local plus program is designed for non-local employees who permanently relocate, localized after an assignment, or locally-hired foreign nationals. It offers a competitive local salary package along with additional support to help employees adjust to their new location. This program can also serve as an alternative to an assignment*.

The local plus program is most effective when the two locations have comparable standards of living. Company-specific eligibility rules apply, and host country permanent employment regulations and registrations should be taken into account.

* Most companies provide fewer allowances than are typically provided in conjunction with a traditional expatriate package (e.g., G&S / COLA is typically omitted). Allowances that are provided tend to be lower than what is provided in traditional expatriate packages.



Visa / immigration

Professional assistance with obtaining required documentation – work permit (employee only) and visa documents – for the employee and accompanying household members to live and work in the destination country. This support is tailored based on authorization as an assignment or permanent transfer.

Host country support



Housing

Housing may be provided as an allowance added to base pay or as a company-provided benefit.

Transportation

Company may provide vehicle, car and driver, or a public transportation allowance, based on local practices and company policy.

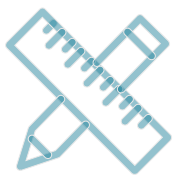
For **permanent transfers**, any support is typically provided on a declining scale and gradually reduced over a period of three to five years.

Home leave trip(s)

May be provided as an allowance added to base pay or as a company-provided benefit.

For **permanent transfers**, assistance is typically eliminated after three to five years.

For an **assignment approach**, frequency and travel restrictions typically align with long-term deployments.



Dependent education assistance

Benefit is provided only in the following circumstances: if local schools are deemed *inadequate* to further the home country education curriculum, education costs are significantly higher in the host location, and/or additional assistance with integration into the local school system is needed.

Tuition and registration fees are typically reimbursed; some companies also cover school-sponsored transportation, required textbooks, and uniforms. Home schooling fees, boarding school costs (up to the equivalent of schooling in the host location), and part or all tuition costs for pre-school may also be covered.

Post-secondary education costs are not reimbursed.

For **assignments**, the benefit is provided for the duration. For **permanent transfers**, support may be offered for one to three years and then phased out over time or paid as a lump sum.

Healthcare



Assignments: The assignee would typically remain on home country benefits (if possible) or enrolled in an international benefits plan.

Permanent transfers: The employee may be transitioned to local benefits. If the company determines that the healthcare options are insufficient, additional private insurance may be provided and paid for by the company.

Pension

Assignments: Where possible, companies keep employees on the home country pension and/or social welfare plans.



US-based companies contribute to their employees’ US retirement savings plan if the employees cannot contribute themselves due to local rules and regulations.



Salary / pay

A local base salary or host-denominated salary is considered a basic component of a Local Plus package.

Tax support

Employees are typically responsible for paying all actual income taxes.

Gross-up of all taxable benefits.

Tax preparation may be provided for home and host locations.

If the employee is an international cross-border transfer, an initial **tax consultation** may be provided in the home country to highlight the potential tax implications of moving abroad. Tax consultation usually ceases after the year of transition to local employment.

