

International Market Practices - Repayment Agreement

Repayment agreements ensure companies recover relocation expenses if an employee voluntarily resigns or is terminated for cause within a specific timeframe after relocation. While policies vary, most organizations implement a structured repayment schedule tied to the duration of employment post-relocation. This summary highlights key practices across multiple industries.

100% of organizations in the benchmark have repayment clauses within their international assignment policies. Repayment requirements are most commonly applied to long-term assignments and permanent transfers. Some companies extend repayment policies to short-term assignments, lump sum policies, and localization cases.

Repayment Structure and Administration

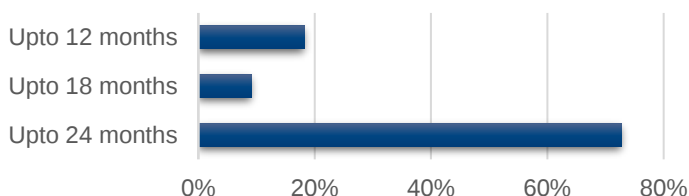
Most of companies require employees to sign a Repayment Agreement as part of their relocation package. This agreement may be included as a standalone document or embedded within the employment or assignment contract. The repayment period varies but typically falls within 12 to 24 months post-relocation or repatriation.

Organizations commonly enforce tiered repayment schedules, such as:

- 0–6 months: 100% repayment.
- 6–12 months: 50% repayment.
- Beyond 12 months: Either full exemption or prorated repayment extending up to 24 months.

The benchmark data shows that 73% of companies enforce a relocation repayment period of up to 24 months, while 18% cap it at 12 months and 9% at 18 months. This indicates that the majority of organizations prioritize longer repayment commitments, ensuring cost recovery over an extended period.

Distribution of Relocation Repayment Periods



Relocation benefits subject to repayment generally include relocation allowances (lump sum or reimbursement), household goods shipment and storage (HHG), housing assistance (temporary accommodation or real estate support), tax equalization and gross-ups, and travel expenses, including visa processing costs.

Conclusion

The benchmark indicates a consistent approach across industries, with most organizations enforcing relocation repayment policies to ensure return on investment for mobility support. While some adopt strict full-repayment models, others provide tiered or prorated repayment schedules to balance financial recovery with employee flexibility.