

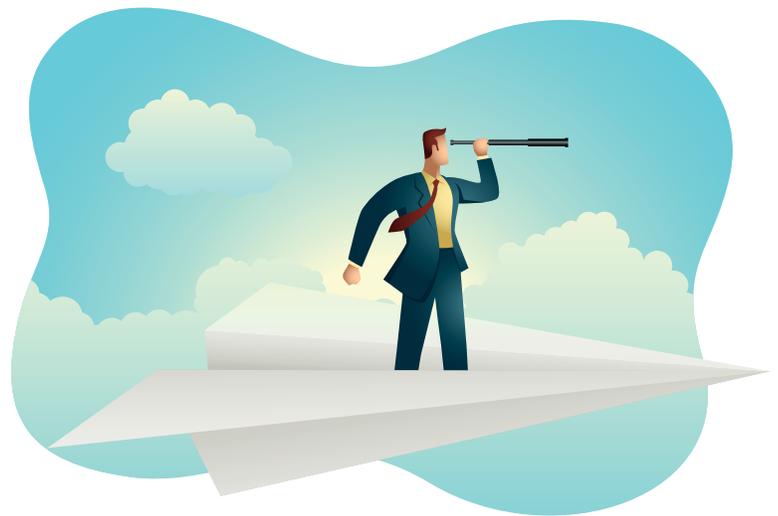


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Future-proofing: adapting relocation benefits for a changing workforce

Of the myriad of HR benefits available to employees, relocation is unique in that it is not regulated, and benefit levels are not proscribed by law. This allows relocation professionals to craft programs that best balance the needs of the employee and the organization.

Core-Flex programs are probably best suited to allow flexibility while still providing structure and support for transferees. In such programs, core benefits are specified, with optional flex benefits allowed as a choice for the employee. Generally, core benefits include those items that most transferees will need; reimbursement for final move expenses and shipment of household goods. Flex benefits may include items that are more individually focused; family or spousal counseling, home purchase, or miscellaneous allowance benefits.



Balancing recruitment and retention goals with program costs

In spite of historic unemployment levels due to the coronavirus pandemic, many industries still find themselves in a war for talent. For these employers, a comprehensive and robust relocation benefit package can help seal the deal when recruiting or transferring employees from another city. Home sale, home purchase, household goods shipment and final move expense benefits are minimum requirements for competitive situations.

Additional incentives are only necessary in extremely competitive labor markets. Generally, a well-designed package of relocation benefits should be sufficient to attract talent to join or transfer. When additional incentives are required, they are best expressed as a “signing bonus” as their relevance to the relocation process is minimal.

Employers can keep costs down by utilizing a professional relocation management company to ensure access to the best rates for services and expert policy design. A set of tiered policies will minimize costs by providing higher cost benefits only where necessary. Lump sum amounts and allowances should be kept to a minimum.



“Despite the uncertainty brought about by the pandemic, organizations that customize benefits for both workers and workforces will be well-positioned to leverage such offerings in the future, regardless of the problem they aim to solve.”

source: www.hrdive.com

The future of Relocation

Many business executives have come to recognize that employees can be just as effective working from home as from an office. With that mental hurdle behind them, decision makers will gladly accept the cost savings inherent in office space reductions.

Employers should take care in just allowing new hires to work from anywhere. In states or countries where an employer does not currently have employees, a decision to allow a new recruit to work from home may create corporate income tax nexus and subject the corporation to a myriad of labor regulations and reporting requirements. Be sure to involve tax experts in any decision which would add personnel in new jurisdictions.

The need to be physically present still exists for many professions and will be for the foreseeable future. While relocation professionals will face ever declining employee populations, the need for their expertise will continue.