Employee Relocation Policy



# *Validated for use by*

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POLICY STATEMENT:

Organisations remain competitive when they have the best of talent and technology working for them. Relocation of employees helps organisation to allot the right talent at the right place.

This relocation policy reflects (Name of Organisation’s) efforts to make the movement of employees to a new place smooth and help them concentrate on their work.

PURPOSE:

The purpose of the policy is to educate the employees about the financial and administrative assistance that they can avail when they are relocating.

This policy also defines the process and procedures that the organization must follow to help an employee who is relocating.

SCOPE:

1. This policy is applicable only for all the full-time employees, who must have at least completed their probation period and are confirmed in writing about the same.

* It would be the organization's discretion to transfer employees to a new location before the completion of their probation period if the business demands so.
* An employee’s request for relocation will not be generally considered before the completion of the probation period. In case of exceptions, the organisation’s discretion will be exercised.
* In all other situations that are not mentioned here, that might arise, the organization will exercise its discretion and it will be final and binding.

1. This policy will apply before relocation and continue till one month post relocation.

Generally, an employee will be considered to have relocated either from the day of departure from the current location or on arrival in the new location, for the sake of applicability.

**(In case the relocation policy applies for the recruit who are being relocated to their place of work, the policy must clearly mention the process for the same.)**

**[Please note that the choice of day for employee’s relocation will be the organisation’s discretion.]**

DEFINITIONS:

RELOCATION – An employee will move from the current place of work to another place of work either due to his/her request or due to business requirements.

This can be implemented by transfers and promotions.

ELIGIBILITY CRITERIA:

An employee will be deemed to be eligible for availing the benefits of this policy, when the approval for relocation is given by the competent authority, provided

* the new place of work is (mention the distance in kms or miles) away from the current place of work
* the tenure of stay in the new place of work is (mention number of months) or more.

**[Please note that the distance from current place of work and tenure of stay will be the organisation’s decision.]**

DEPENDENTS:

In case the stay of the employee post relocation is more than (mention number of months/years),then the organisation may also allow the dependents of the employee to accompany them.

In such a case, the company will also provide for the relocation expenses of the dependents of the employee.

The dependents of the employee will only include the following:

1. Spouse
2. Children

The relocation assistance will be provided only for two children. In case of more than two children, the expenses for the remaining children must be borne by the employee.

RESPONSIBILITY TO IMPLEMENT:

* The final decision to relocate will be taken by the CEO or any other competent authority.
* The decision must be then communicated in writing to the concerned reporting manager, head of the department and HR department.
* The HR department will then take appropriate action as per this policy to help employees in relocating.

PROCEDURE FOR RELOCATION IN CASE OF AN EMPLOYEE’S REQUEST:

* The employee who wishes to relocate to another location must have a discussion with his/her reporting manager and the HR. Here the employee must explain the reason for this request.
* Post this, the employee must send out a mail to the manager and HR.
* The reporting manager must then forward the request to the Head of the department for the approval.
* The approval would be subject to the eligibility of the employee for relocation & availability of the same job profile at the location where the employee wants to move to.
* This approval would be further sent to the competent authority for the final decision.
* In case the same is approved, it must be communicated to the employee in writing.
* In case of any changes in the terms of employment after relocation, a new appointment letter/employment contract must be signed by the employee before the employee relocates.
* Post this the HR must guide the employee with the steps involved in getting relocation assistance.

PROCEDURE FOR RELOCATION IN CASE OF COMPANY TRANSFER:

* In case an employee is promoted or transferred and must relocate, the decision must be communicated to the employee in writing by the HR.
* The employee must revert to the communication with his/her decision.
* In case the employee agrees to relocate, then a relocation agreement must be signed by the employee.
* Post this the HR must guide the employee with the steps involved in getting relocation assistance.

FINANCIAL ASSISTANCE PROVIDED FOR RELOCATION:

At this stage, it is important for the organisation to decide on

* the expenses that will be covered under financial assistance
* the type of financial assistance that it wants to provide
* who will get this assistance

EXPENSES THAT WILL BE COVERED UNDER FINANCIAL ASSISTANCE:

**( This list is suggestive and varies from organisation to organisation and also from region to region)**

Generally the following expenses are covered under financial assistance in the relocation policy:( This list is suggestive and varies from organisation to organisation and also from region to region)

1. Shipment of household goods & storage charges
2. Shipment of personal vehicle & storage charges
3. Travel tickets
4. Airport transfers
5. Food
6. Temporary accommodation
7. Rental contract termination fees
8. Agent and other legal fees
9. House hunting expenses
10. Any other miscellaneous expenditure that might be incurred during relocation

Any other expenses that are not mentioned here will not be covered under financial assistance.

**[Please note that creating a list of what will not be covered will make the policy more detailed. This list must be drawn after internal consultation.]**

TYPE OF FINANCIAL ASSISTANCE:

An organisation may offer any of these options to its employees who are relocating.

Lumpsum approach :

* Here the organisation would pay an amount upfront to the employee for relocating.
* This amount would be subject to the organisation’s discretion and would vary for relocation within the country and for relocation outside the country.
* The amount must be clearly mentioned in the policy.

Staggered approach :

* Here the organisation would have different amounts for different employees depending on their seniority level.
* The organisation might give the amount upfront or might even reimburse it.
* This amount would be subject to the organisation’s discretion and would vary for relocation within the country and for relocation outside the country.
* The amount must be clearly mentioned in the policy.

Reimbursement approach:

* Here the organisation would reimburse the amount an employee has spent for relocating.
* This amount would be subject to the organisation’s expense reimbursement policy and would vary for relocation within the country and for relocation outside the country.
* The amount must be clearly mentioned in the policy.

All expenses paid approach :

* Here the organisation would either reimburse the full amount an employee has spent for relocating or would pay the actual amount that will be required for relocating.
* This option is generally offered only to the senior most employees in the organisation.

**WHO WILL GET THIS ASSISTANCE:**

In case if the organisation decides to provide this assistance only to the employee, then the policy must clearly indicate:

1. The expenses that will be covered
2. The type of financial assistance along with their maximum limits

In case if the organisation decides to provide this assistance only to the employee and the dependents, then the policy must clearly define:

1. The dependents
2. The expenses that will be covered
3. The type of financial assistance along with their maximum limits

ADMINISTRATIVE ASSISTANCE PROVIDED FOR RELOCATION:

**( This list is suggestive and varies from organisation to organisation and also from region to region)**

Generally the following is provided under administrative assistance in the relocation policy:

1. Documentation & processing for Visa and Work permit
2. Documentation for

* International Driver’s license
* Government identify proof in the new country
* Bank account in the new country

1. Counselling & acclimation assistance : support provided to address the anxieties, uncertainties and help settle down in a new place.
2. Accommodation assistance : support for finding houses for rent.
3. Home sale/home purchase assistance : support provided for selling an existing house in the current location or purchasing a house in the new location.
4. Destination service assistance : support for getting to know the new place better.
5. Job assistance for spouse : support the spouses of the respective employees for getting employment in the new location
6. Education assistance for children : support for finding schools and educational institutions for the children.

It will be discretion of the organisation to decide who will be eligible for this assistance i.e whether the employee alone or with dependents.

**[Please note that the details of the assistance as provided by your organisation must be clearly mentioned in this policy .]**

REIMBURSEMENT OF EXPENSES IN RELOCATION:

1. An employee must claim the reimbursement of the expenses by following the procedure as defined in its reimbursement policy.
2. Original bills of the amount mentioned for reimbursement must be also submitted.

APPLICABILITY OF POLICY IN CASE OF TERMINATION OR VOLUNTARY SEPARATION OF THE EMPLOYEE WITHIN (mention months) OF RELOCATION:

* The policy and its benefits will not be applicable to employees who quit or are terminated within (mention months) of relocation.
* In such cases, the organisation may ask the employee to refund the amount that was spent on his/her relocation.

APPLICABILITY OF POLICY IN CASE OF TERMINATION OR VOLUNTARY SEPARATION OF THE EMPLOYEE AFTER (mention months) OF RELOCATION:

* The policy and its benefits will not be applicable to employees who quit or are terminated after (mention months) of relocation.

LEAVES:

* The treatment of any unused leaves will be subjected to the leave policy of the organisation.
* In case an employee has used all the applicable leaves, then the employee may request for additional leaves for relocation.
* In this case the organisation would exercise its discretion to give paid or unpaid leaves for the same

COMPANY ASSETS:

1. Before relocating, the employee must submit the company assets used by him/her. This would include

* Laptop
* Mobile phone
* ID Card
* Corporate credit card given by the company

1. The employee must fill in the asset submission form and handover the assets to the authorised department at least two days before departure.

STATUTORY COMPENSATION AND BENEFITS IN CASE OF INTERNATIONAL RELOCATION:

* An employee who relocates to a new place of work will get compensation & benefits as applicable in that country.
* The statutory components that one would have received earlier will cease to be a part of the new salary structure.

Approved by:

Date of approval:

Revisions

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