

Executive Level Benefits



The Issue

Executive leadership is tasked with guiding a company's direction and success. These top performers are directly responsible for major decisions that increase revenue, manage risk, and shape the culture of their workforce. The company's long-term objectives depend on retaining these employees long after the move.

Senior-level executives require a high level of care that ensures they can focus on their duties and transition quickly to the new location. Their relocation policy should reflect these unique needs and benefits.



The Mobility Impact

As companies continue to fight to attract and retain top talent, they are recognizing that relocation opportunities are an effective tool to satisfy the employee's desire to acquire new skills and advance their career path. Mercer reports that future leadership development accounts for 41% of the reason for relocation. These current and future leaders are often firmly entrenched in their community, with families and property, which needs to be addressed when considering relocation. A clearly defined, consistent, and robust executive relocation policy is fundamental to a positive employee experience.

Companies are discovering that robust packages are necessary to attract and recruit the right executive-level talent. In addition, they want to avoid being vulnerable to competition and losing experienced employees with the critical skills needed to meet long-term organizational objectives. While, according to a recent Mercer survey, only 9% of domestic relocations are executives, they are often the most visible relocations within the company.

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When addressing executive-level moves, one of the most visible and critical components is selling the home in the departure location and finding a residence in the destination area.

Home sale programs are still considered critical to workforce mobility and many companies reserve the guaranteed offer program for executive level employees. Executives typically have higher home values, requiring a real estate agent with proven experience in moving "prestige" properties. These agents are able to effectively develop a customized marketing strategy that will bring in more offers. In markets where property values are increasing, incentivizing executives to price right with a **home sale bonus** may help "sweeten" the offer to relocate.

In the new location, senior level employees have specific home finding needs and often little time to search for properties as they tackle the enormous responsibilities that come with their role. In fact, it is common for enhanced service delivery options to include virtual tours or showings that flex to the employee's schedule.

Organizations need their executives to move permanently to the new location and get settled quickly so they can focus on their jobs. However, the costs that come from higher property values in the new location, increased cost of living or climbing mortgage rates can deter a relocating employee's decision to purchase a new home. In turn, delaying the purchase and commuting long distance or renting indefinitely can prove sizable distractions from the job at hand.

As rents and property values climb, there is a growing demand to support employees with assistance in the form of a cost-of-living allowance (COLA), mortgage interest differential assistance (MIDA), or subsidy. Weichert's survey revealed that close to half (49%) of companies offer COLA, either formally or on a case-by-case basis, with the vast majority providing it to both homeowners and renters over a three-year period.



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Our Recommendations

The average number of tiers used by most companies has increased to **four or more tiers**. This points to greater focus on target employee groups, including executive-level employees. Executives typically receive similar provisions provided to their colleagues, with higher maximums that are commensurate with their level of responsibility, along with benefits that expedite the overall move and enhanced service delivery.

Relocating senior level executives have needs and requirements beyond those of the typical employee; they need to be in their new location quickly and prefer the close attention provided by an experienced Mobility Counselor. Accordingly, executive-level policies typically include full-service benefits, and lump sums are generally not recommended at this level.

Type of Assistance provided to Executives*	
En-route expenses (travel, lodging, meals) for employee and family	95%
Home finding trip	95%
Shipment of household goods	89%
Temporary living at new location	89%
Miscellaneous expense allowance	74%
Lease breaking assistance	63%
School finding assistance	63%
Preview trip to the new location (decision-making trip)	58%
Tax protection	53%
Purchase closing costs	47%
Home marketing assistance	42%
Home sale assistance	42%

*when lump sum is not provided

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While these benefits will support the relocation, with executives there is the opportunity and expectation to **enhance the experience**. This can be done in several ways:

Benefit Enhancements	
En-route trip	Car service to/from airport First class airfare
Home finding trip	Provide two trips Car service to/from airport First class airfare VIP area tours Tickets to local theaters or sporting events
Shipment of household goods	On-site management during pack/load and delivery Discard and donate Unpacking services Handyman services Cleaning services
Temporary living at new location	Upgraded furniture and furnishing Return trips Stocked fridge Welcome basket Delivery of rental vehicle Childcare assistance
Preview trip to the new location (decision-making trip)	Car service to/from airport VIP area tours Tickets to local theaters or sporting events School tours
Tax protection	Tax provider/preparer consultation(s)
Purchase closing costs	Direct billing MIDA Mortgage subsidy
Home marketing assistance	Staging allowance Home repair allowance Handyman services
Home sale assistance	Guaranteed offer Home sale incentive Loss on sale
Additional enhancements	Spousal assistance Duplicate housing School search assistance Internal sponsor/mentor

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Client Impact

Like so many of our success stories, this one began around the time the pandemic was taking hold in the US. A VIP of one of our clients—a senior executive living in the US—had to relocate back home to Australia because his daughter's boarding school was closing.

Our team immediately tackled the first challenge: getting the VIP on a short-notice flight, racing against impending border closings, navigating tricky airline COVID protocols and securing approvals. Once the company decided to let the VIP remain in Australia and work remotely, they authorized our Executive Ambassador Program. We immediately began working with our local DSP to sort and pack everything that needed to be shipped from the US residence, returning the leased automobile, and getting the home market-ready, which required long-overdue landscaping, a pool cleaning, and lots of staging work with the local RE agent.

Weichert Workforce Mobility has prepared this information from the most current data available. However, the client is advised to consult with their own tax and legal counsel with regard to any interpretation of IRS regulations or subsequent changes in policy.

In the end, the home closed and household goods were shipped by the client's deadline. The client was soundly impressed, praising our solutions-oriented planning and proactive communications throughout the move. It was a great example of our collaborative culture, and our Belief in Winning Outcomes.



The Bottom Line

To achieve a more inclusive and diverse global workforce, it is imperative that diversity, equity and inclusiveness play a prominent role in talent management planning, bias mitigation, and candidate sourcing. Success in this endeavor starts at the very highest level of leadership, and only then can we expect not only a diverse but also inclusive globally mobile workforce.

References:

Weichert Policy Database

Domestic Relocation Policies & Practices Survey, Mercer
Volume & Costs Survey, Worldwide ERC®

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