

Transportation Assistance for International Assignees



The Issue

Getting around independently can make a difference when settling in a new country, and providing an appropriate transportation benefit in the host country can minimize company costs and eliminate any financial burden on the assignee.

Most companies follow local country car/car allowance policies, making it challenging to generalize common benefit practices. Moreover, transportation policies are benchmarked separately for many companies and not within the Global Mobility function.



The Mobility Impact

Worldwide, beyond language and cultural barriers and challenges of different traffic signage, regulations and unwritten rules of the road, there are bureaucratic hurdles to obtaining a driver's license and leasing or purchasing an automobile.

In the United States, for example, obtaining a driver's license is contingent upon having a Social Security number. To further complicate matters, each state has its own requirements, with some requiring foreign nationals to obtain an International Driving Permit (IDP) **and** a valid license from their own country.

About half of all companies provide cars as part of the international assignment policy, irrespective of host or home country norms. Many other companies follow country-specific guidelines whereby the assignee uses a transportation allowance as they see fit, such as for public transportation or to lease or purchase a car. If safety is a concern, assignees receive a home car allowance and a car in the host country. While practices vary from country to country, this allowance allows the company to deliver the benefit consistently and empowers the employee to choose their preferred mode of transportation.

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By the Numbers

According to a random sampling of 50 international assignment policies in Weichert's database:

→ **44%**

Provide a car or some form of transportation allowance in ALL cases

→ **30%**

Provide an allowance based on salary band or job level/ job requirements

→ **15%**

Provide a car or transportation allowance in some but not all cases

→ **7%**

Provide something else (such as shuttle service, but not private transportation)

→ **2%**

Provide a transportation benefit based on regional management approval

→ **2%**

Do not provide either a car or a transportation allowance



Our Recommendations

1. When possible, global mobility teams can leverage existing relationships through the company travel provider or procurement to lower costs and streamline the processing time for assignees leasing cars on assignment.

Many of our clients have fleets of cars available for their salesforce that they are not currently leveraging for assignees. With fleet programs, employers have full control over employees' vehicles. They own and manage all vehicles, meaning they also manage employees' insurance coverage and vehicle upkeep. Moreover, the overall costs of fleet cars are typically lower than individual leases, so companies save in the long run by using fleet cars.

In this arrangement, the monthly leasing fee is charged directly to the company and the assignee's business unit. The fleet program includes maintenance, normal and customary repairs, and insurance. The assignee pays all other expenses (tolls, fines, damages due to accidents, insurance deductible, fuel).

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2. Consider local needs and customs regarding this policy benefit since country-specific norms ultimately dictate the need for transportation support.
3. Use online tools to determine best practices by location. For example, World Trade Resources houses current data covering comprehensive and consistent information on over 200 countries. Website link: www.worldtraderesource.com

References & Further Reading:

[Mobility Basics: Transport benefits for international assignees | ECA International](#)

[Transport Benefits | ECA International](#)



The Bottom Line

In conclusion, ease of transportation – and the ability to get around freely and safely – is a critical component of an employee's assignment experience. Transportation is used every day, whether for commuting to work or school, doing errands, or enjoying leisure activities. Normal and customary modes of transportation vary greatly from country to country and sometimes within countries, as well.

Companies are incumbent on consistently ensuring safe, efficient, and comfortable transportation as a key component of any global mobility program. While there is no single best practice or one-size-fits-all transportation policy, it is vital to set appropriate assignee expectations prior to deployment to ensure the smoothest road ahead (pun intended)!

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.

Looking for more information on this or any mobility topic?

Email us at solutions@weichertwm.com

Or visit us at weichertworkforcemobility.com