

# Writing an Employee Relocation Offer Letter

## Relocation Is a Major Life Event



Relocating for a job is considered a major life event because it often requires an employee selling a home, moving the family to a new state or country and changing many of their typical routines. Your employee transfer or assignment letter needs to cover a number of important topics, but without increasing your employee's anxiety.

The key to drafting effective relocation offer letters begins with knowing your employees and focusing on them and their families. You can find sample templates on the internet to help you draft a transfer offer letter, but unfortunately, many of them begin something like this:

*Dear Mr. Jones,*

*This letter is to inform you that you will be transferred effective [date] to our location in ...*

Considering the upheaval a relocation will cause in your employee's life, this approach is rather abrupt. In this article, we will discuss the topics you need to cover and some best practices to help you write an effective relocation offer letter.

## Discuss the Relocation First

Your company has made the decision to relocate an employee to benefit the organization in some way. You may need to add talent to a business unit in another city, or to reduce it at the employee's current location. You may want to move a manager to provide new leadership in another territory. You may even want to give a high-potential employee

broader experience as part of a career development plan. No matter the reason, be sure you or the appropriate manager(s) discuss those reasons with the employee long before you write the letter.

Having a detailed discussion provides an opportunity to create enthusiasm about a new role by:

- Increasing the likelihood of an accepted offer.
- Providing a platform to discuss your global mobility policy and company-provided financial assistance.
- Clarifying the specific skill-building and learning opportunities available in the new role.
- Showing that the company values the employee and wants to make an investment in his or her future.
- Demonstrating that the employee is important to the growth of the business.

Holding a preliminary discussion shows respect for the employee and allows you to craft a letter tailored to that individual. In turn, you're more likely to increase loyalty and productivity – and reduce the chance of a relocation offer being declined.

Begin the letter with a synopsis of the discussion, rather than a recap of your global mobility policy and salary, to highlight the advantages of the transfer offer.



## Outline the New Role

Your employee's job title and responsibilities may remain the same in the new location. If that is the case, make sure the transfer offer letter includes the name of the person

to whom the employee will report and the duration of the transfer or assignment. For employees taking on new responsibilities, you'll also want to include the following:

- The employee's new job title or position.
- New and additional responsibilities and duties.
- The duties and activities for which the employee will no longer be responsible.
- A description of any increased benefits, salary or bonuses.

Similar in some ways to an offer letter to a prospective new employee, this portion of the letter focuses on the specifics of the new role. It documents the job title, salary and related matters to eliminate misunderstandings later. The letter should be dated and signed by the appropriate manager, and be sure the letter contains:

- The employee's full name and current home address.
- Department names – both the current department and the new destination department.
- The effective date the employee should report to the new location.
- The name of the employee's new supervisor.
- The date by which the relocation benefits must be used.

After you provide this pertinent information, you can delve into the specifics of your company's global mobility policy and explain the benefits the employee will receive.

## **Explain Your Global Mobility Policies**

Your letter should summarize the portions of your global mobility policy that are applicable to the employee. Among the issues your policy addresses, it is important to include information on the four topics below because they are:

- The most costly components of an assignment or transfer and
- Usually the greatest stressors to an employee, which can cause reduced productivity.

## RELOCATION EXPENSES

When writing the letter, review your policies to determine what is relevant to the particular employee. While it's not recommended to copy your policy verbatim into the letter, you should summarize:

- Specific expenses and the amounts the company pays for directly.
- Types of expenses that can be reimbursed, along with any limits. Note whether the employee is required to document each expense, should submit a consolidated summary or will be given a lump sum amount for miscellaneous expenses.
- Expenses the employee is responsible for paying.
- Repayment agreement terms.

Do not provide advice on the tax consequences of company-funded or reimbursed relocation expenses. Encourage the employee to seek advice from a tax professional if questions arise.

## MOVING HOUSEHOLD GOODS

The average cost companies paid for moving employees' household goods was \$11,583, according to a 2016 Worldwide ERC® survey. That cost rose by 25 percent over ten years and can be expected to continue as a significant part of your overall relocation expense.



The moving cost can vary widely depending upon whether the employee is a renter or homeowner (homeowners tend to have more household goods to move), the distance between the current and destination addresses and the size of the family.

The cost of storage and valuation coverage for household goods must also be considered if the employee will be moving into furnished temporary housing. Your letter should specify the amount the company will pay for household goods transport, storage and valuation along with any limitations or restrictions. In addition, include any specific costs the employee will be responsible for paying, even if your policy provides a lump sum for out-of-pocket expenses.

### HOME MARKETING ASSISTANCE

Providing assistance to an employee in selling their current home is important. It allows your employee to relocate without the added anxiety of trying to sell their home from afar, which can distract from their job.

Your company may offer assistance to the employee based on a Buyer Value Option, an Appraised Value, an Amended Value Option or another approach. However, the letter should only summarize your approach. The details are best reserved for the appropriate real estate and related policy documentation

### HOME FINDING ASSISTANCE

Getting your employee and their family settled into a new residence is crucial because it helps them to return to full productivity quickly. Each employee is unique. Some may need temporary housing while they search for a new house; others may choose apartment living. Your letter should reflect the level of assistance the company provides.

- **Temporary Housing:** Summarize what provisions the company makes for temporary living and for how long.
- **House Hunting:** Summarize the assistance the company provides, like furnishing contact information for local realtors and cost of living data in the new city.
- **Destination Services:** Summarize services the company provides, which might include orientation to the new area, contacts with local schools, colleges, medical facilities, etc.

## Final Thoughts

Ideally, your relocation offer letter should:

- Focus on the employee and the benefits of the new role.
- Create a positive impression and enthusiasm for the new opportunity.
- Outline the expectations and responsibilities in the new role.
- Summarize the relevant points from your global mobility policy.

To help you get started, we have included an outline for a sample relocation offer letter following the article.

## SAMPLE LETTER

July 20, 2017

Mr. Dan Jones  
123 Main Street  
Atlanta, GA 30303

Dear Mr. Jones,

Last week we discussed an opportunity for you to relocate to our Phoenix office. We see great potential to grow in the Southwest territory and wish to offer you a promotion to Regional Sales Manager where you will oversee the sales operation in seven states with 15 sales representatives and 3 District Managers reporting to you. This opportunity will allow you to expand your management skills as you move from the District Manager position in Atlanta to a more senior position in Phoenix. In this new role you will report to the Vice President of U.S. Sales.

The company wishes to invest in helping you and your family relocate. This letter summarizes that support in several areas.

---

**New Job Title:** Regional Sales Manager

**New Supervisor:** Barbara Smith, Vice President, U.S. Sales

**Department:** U.S. Sales, District Sales Manager, Atlanta; moving to U.S. Sales, Regional Sales Manager, Phoenix

**Effective Date of Transfer:** October 1, 2017

**New Duties:** Oversee sales activity of District Managers in the Southwest region to meet or exceed regional quota.

**New Compensation:** Base salary of \$120,000 with commission, bonus and accelerated commission as documented in the current compensation plan.

---



A summary of the relocation benefits that are extended to you as part of this offer can be found below. Please refer to the relocation policy guidelines for more detailed information on the relocation benefits.

### **Relocation Expenses**

The company will provide the following relocation services and pay the associated costs in full.

1. A one-week home finding and orientation trip including airfare, a rental car and lodging for you and your spouse. The company will reimburse you for child care during your trip up to \$150.00.
2. Spousal employment assistance in the Phoenix area.
3. Transport of household goods (see specifics below).
4. Assistance in selling your home and finding a new home (see specifics below).
5. The company will provide \$5,000 lump sum to cover your out-of-pocket costs associated with the relocation. You are not required to submit receipts or documentation for these expenses.

You will be responsible for any expenses not included in these five (5) categories.

### **Household Goods Moving**

The company will pay the moving company directly to move your household goods up to \$28,000, which includes valuation coverage, packing, transporting, unpacking and setting household goods in place; up to 24,000 pounds. The company will pay for transporting your two vehicles to the new location.

### **Home Marketing Assistance**

The company offers assistance in selling your current home under the Buyer Value Option (BVO). The BVO program allows our Relocation Management Company to purchase your home once you have received an acceptable offer from a private buyer, then to sell it to that buyer. Please review the brochure accompanying this letter to learn how the program works to your benefit.

**Home Finding Assistance**

The company will provide:

- \$1,500 per month for three (3) months of temporary living in a suitable furnished apartment, and will pay valuation and storage for your household goods during that period.
- Contact information for a company-approved real estate agency in the area to assist you in finding and buying your new home.
- Orientation to the new area through our Relocation Management Company. This provides an overview of the area housing market; familiarization with medical facilities, schools, shopping, and municipal government agencies; and related services to help you establish your family in the Phoenix area.

**Repayment Agreement Terms**

Should you voluntarily terminate your employment for any reason or request a transfer out of the assignment location or if you are terminated due to gross neglect of your job duties, fraud, misappropriation or embezzlement, within twelve (12) months after the Start Date of the Job Assignment, you agree to repay within thirty (30) days of terminating employment, any and all relocation expenses and tax allowances, or payments made in lieu of relocation, incurred or reimbursed by the Company subject to the schedule below. In addition, should you refuse to accept a job transfer or relocation after any expenses have been incurred or reimbursed by the Company, you agree to repay the Company within thirty (30) days of refusal to accept transfer/relocation for any and all relocation expenses and tax allowances, or payments made in lieu of relocation, incurred or reimbursed by the Company. Repayment of relocation expenses will be made in accordance with the following schedule:

Length of time from effective start date:	Percentage of costs repayable:
0 – 12 months	100%

If termination occurs more than twelve (12) months after the start date in the new location, the employee will not be required to prepay relocation expenses.

Any repayment required will be due and payable to the Company within thirty (30) days of terminating employment or will be deducted from any amounts due to you from the Company, including without limitation any salary, commissions, bonuses, vacation or other paid leave, severance or separation pay and expense reimbursements, up to the full amount of the Employee Sale/Company Purchase expense owed to the Company, subject to applicable law. If such deduction does not fully satisfy the amount of reimbursement due, you agree to immediately repay the remaining unpaid balance to the Company.

This offer letter is not to be construed as a contract of employment. There is no cash value to the provisions of this offer letter.

Please review the enclosed information and contact me or Human Resources with questions or concerns. I would appreciate your acceptance of this new opportunity by August 1, 2017.

for Barbara Smith, Vice President, U.S. Sales

by

Rob Thompson, Human Resources

## *Contact Us*

Address:  
22810 Quicksilver Dr.  
Sterling, Virginia 20166  
+1.703.260.3323

CapRelo Canada:  
+1.888.808.1187

CapRelo EMEA:  
+44 (0)17.2244.6224

CapRelo APAC:  
+65 3163.4259

[info@CapRelo.com](mailto:info@CapRelo.com)  
[www.CapRelo.com](http://www.CapRelo.com)

## *Connect With Us*

 [@CapRelo](#)

 [@CapRelo](#)

 [@CapRelo](#)

 [@CapRelo](#)