

2019

Domestic Survey: China

Summary

Global Mobility is increasingly being asked to manage or advise on domestic moves. Although there are key differences in domestic policies by country, there are also areas of efficiencies which can be leveraged on a global basis. To understand how companies are structuring in-country relocation policies, AIRINC collected benchmark data on the types of policies and relocation support provided for one-way domestic transfers in a number of countries. The survey examined the level and types of support offered for domestic moves as well as the decision-making approach when different levels of benefits are provided.

This report details what companies are offering for in-country relocation support in China. The majority of organizations have a formal policy designed specifically for Chinese domestic moves, as companies have an important need to support such moves to attract and retain talent and meet critical business needs.



68% of respondents have a specific China domestic policy, with another 5% applying a regional domestic policy; 18% of all respondents decide policy on a case-by-case basis



The level of **support provided for in-country China moves varies by job level for 55% of companies** and family size for 45%. 27% of companies do not vary the level of support.

Summary

CONT.



68% of respondents support relocation via a mix of cash and benefits-in-kind, 18% provide in-kind benefits only, and only 9% pay a lump sum to cover all relocation elements



When a lump sum/cash is provided, it most commonly includes miscellaneous relocation costs (59%)



79% provide some form of support for moving expenses, but 89% do not ship automobiles. 32% provide temporary household goods storage



A miscellaneous relocation allowance intended to cover ancillary costs associated with the relocation is paid by 63% of companies, with 64% grossing up this specific benefit to protect the employee



84% of companies do not offer home sale assistance. 25% cover lease cancellation fees for renters in the origin location



95% do not assist with the purchase of a house in the destination location



From a settling-in perspective, 70% of companies do not provide any additional transitional or "soft-landing" assistance



If an employee leaves the company after relocation, 77% of companies have a claw-back or repayment clause in place



Policy Overview

1. Do you have a formal policy for domestic relocations within China?	Number of Responses	Percent Responses
Yes, we have a policy specifically for domestic moves within China	15	68%
We don't have a domestic relocation policy for moves within China but handle moves on a case-by-case basis	4	18%
We use a regional domestic relocation policy for moves within China (i.e., we have a policy which applies to several locations within the same region)	1	5%
We use a global domestic relocation policy for moves within China (i.e., we have one global policy which applies to all locations in which we have domestic moves)	0	0%
Other	2	9%
Total Responses	22	100%

2. In general, do you vary the level of support provided for domestic moves within China by job level, family size, or other factors (e.g., through tiers, core/flex, negotiation)? Check all that apply.	Number of Responses	Percent Responses
Yes, by job level	12	55%
Yes, by family size	10	45%
No, the same support is provided for all domestic moves within China	6	27%
Yes, by relocation distance	5	23%
Handled on a case-by-case basis	4	18%
Yes, by job function	3	14%
Yes, by homeowner vs. renter	2	9%
Other	3	14%
Total Responses	45	



Delivery and Calculation of Relocation Support

3. How are relocation benefits delivered?	Number of Responses	Percent Responses
Some benefits are reimbursed/delivered in-kind while others are supported through lump sum/cash allowances	15	68%
We reimburse employees for relocation expenses or pay providers directly (benefits-in-kind)	4	18%
We provide a lump sum/cash allowance to cover all relocation elements (shipping, travel, etc.)	2	9%
Other	1	5%
Total Responses	22	100%

4. If you provide a lump sum for relocation benefits, how is the amount calculated?	Number of Responses	Percent Responses
We determine the amount(s) in house	12	71%
Through a 3rd party calculator/tool	3	18%
Other	2	12%
Total Responses	17	100%

5. If you provide a lump sum for relocation benefits, does the amount vary by certain factors (e.g., job level, family size)?	Number of Responses	Percent Responses
Yes, the lump sum amount varies by certain factors	14	88%
No, the lump sum amount is the same for everyone	2	13%
Total Responses	16	100%

6. If you provide a lump sum for relocation benefits, what is the amount intended to cover? Check all that apply.	Number of Responses	Percent Responses
Miscellaneous costs (e.g., drivers' license fees, parking charges)	10	59%
Moving costs (packing and shipping household goods)	9	53%
Travel to destination location	5	29%
Temporary living	5	29%
Temporary household goods storage	4	24%
Costs to secure rental accommodation in the destination location for renters	4	24%
Lease cancellation assistance for renters	3	18%
Pre-departure/house-hunting trip	2	12%
Automobile shipment	2	12%
Home sale assistance	1	6%
Home purchase assistance	0	0%
Other	4	24%
Total Responses	49	

Other: Various post-transfer elements



Average lump sum amount for relocation benefits:
CNY 12,374

7. For reimbursed or benefits delivered in-kind, do you set an overall maximum amount for relocation expenses?	Number of Responses	Percent Responses
Yes, we set an overall limit which varies by certain factors (e.g., job level, family size)	9	47%
No, approved expenses are covered without limit	8	42%
Yes, we set an overall limit which is the same for everyone	2	11%
We set a limit for some expenses, while others are covered without a limit	0	0%
Total Responses	19	100%



Relocation Benefits for Domestic Moves within China

Pre-Departure/House-Hunting Trip

8. Does your company offer a pre departure/house-hunting trip to the destination location?	Number of Responses	Percent Responses
No	9	47%
Only in certain cases	6	32%
Yes, always	4	21%
Total Responses	19	100%

9. What costs are covered during the pre-departure trip? Check all that apply.	Number of Responses	Percent Responses
Airfare	10	100%
Hotel	10	100%
Transportation	8	80%
Meals	8	80%
Incidentals	1	10%
Childcare	1	10%
Additional leave days	0	0%
Other	2	20%
Total Responses	40	

10. What is the income tax treatment on this benefit?	Number of Responses	Percent Responses
The company assists with the income tax costs (e.g., via gross-up)	8	67%
No company assistance; the employee pays all income taxes on the benefit	2	17%
Other	2	17%
Total Responses	12	100%

Moving and Storage Expenses

11. Does your company cover moving expenses (packing and shipping household goods) to the destination location?	Number of Responses	Percent Responses
Yes, up to a limit/maximum	9	47%
Yes, with no limit/maximum	5	26%
No	4	21%
Only in certain cases	1	5%
Total Responses	19	100%

Comments on limit/maximum moving expenses: 20 ft container/40 ft container depending on family size (3); Various time and monetary limits; Employee must get estimates first

12. Does your company cover the cost to ship automobiles to the destination location?	Number of Responses	Percent Responses
No	17	89%
Yes, up to 1 car for any distance	1	5%
Only in certain cases	1	5%
Yes, up to 1 car if the distance between the origin and destination location is above a certain mileage	0	0%
Yes, up to 2 cars for any distance	0	0%
Yes, up to 2 cars if the distance between the origin and destination location is above a certain mileage	0	0%
Total Responses	19	100%

13. Does your company provide temporary household goods storage?	Number of Responses	Percent Responses
No	13	68%
Yes, up to a certain number of days	4	21%
Yes, up to a certain monetary amount	1	5%
Only in certain cases	1	5%
Yes, with no limit	0	0%
Total Responses	19	100%

Temporary Living

14. Does your company provide for temporary living expenses at relocation?	Number of Responses	Percent Responses
Yes, up to a certain number of days (average = 30 days)	12	63%
No	4	21%
Only in certain cases	2	11%
Yes, up to a certain monetary amount	1	5%
Yes, with no limit	0	0%
Total Responses	19	100%

15. What costs are covered for temporary living? Check all that apply.	Number of Responses	Percent Responses
Hotel/serviced apartment	13	100%
Meals	6	46%
Transportation	4	31%
Incidentals	2	15%
Other	1	8%
Total Responses	26	

16. What is the income tax treatment on this benefit?	Number of Responses	Percent Responses
The company assists with the income tax costs (e.g., via gross-up)	6	50%
No company assistance; the employee pays all income taxes on the benefit	5	42%
Other	1	8%
Total Responses	12	100%

Miscellaneous Relocation Allowance

17. Do you provide a cash relocation allowance to cover miscellaneous costs associated with the relocation?	Number of Responses	Percent Responses
Yes, always	8	42%
No	7	37%
In certain cases	4	21%
Total Responses	19	100%

18. How is the miscellaneous relocation allowance calculated?	Number of Responses	Percent Responses
One month's salary up to a cap	3	25%
One month's salary with no cap	2	17%
2 weeks' salary	1	8%
Two months' salary with no cap	1	8%
Flat amount depending on family size	2	17%
Flat amount based on tiers	1	8%
Flat amount depending on homeowner or renter	0	0%
Flat amount for everyone	0	0%
Other	2	17%
Total Responses	12	100%



Average MRA:

CNY 41,683

19. What is the income tax treatment on this benefit?	Number of Responses	Percent Responses
The company assists with the income tax costs (e.g., via gross-up)	7	64%
No company assistance; the employee pays all income taxes on the benefit	4	36%
Other	0	0%
Total Responses	11	100%

Home Sale Assistance

20. Does your company assist with the sale of the employee's house in the origin location?	Number of Responses	Percent Responses
No	16	84%
Only in certain cases	3	16%
Yes, always	0	0%
Total Responses	19	100%

21. If applicable, which costs are covered by the company (check all that apply)?	Number of Responses	Percent Responses
Closing costs	2	67%
Estate agent fees	2	67%
Loss on sale of home with no limit/maximum	0	0%
Loss on sale of home up to a limit/maximum	0	0%
Company-appraised buy-outs	0	0%
Other	2	67%
Total Responses	6	

22. Do you vary the level of home sale assistance by job level?	Number of Responses	Percent Responses
No	15	94%
Yes, always	1	6%
Only in certain cases	0	0%
Total Responses	16	100%

Rental Assistance

23. Does your company cover lease cancellation fees for renters in the origin location?	Number of Responses	Percent Responses
No	14	74%
Only in certain cases	4	21%
Yes, always	1	5%
Total Responses	19	100%

24. Is there a limit on the amount you will cover for lease cancellation assistance?	Number of Responses	Percent Responses
Yes, up to a certain number of months (average = 1.8 months)	4	80%
No limit	1	20%
Yes, up to a certain monetary amount	0	0%
Total Responses	5	100%

25. Does your company cover costs to secure rental accommodation in the destination location for renters (e.g., realtor fees, etc. for permanent accommodation, not temporary living)?	Number of Responses	Percent Responses
No	12	67%
Yes, with no limit	3	17%
Yes, up to a limit	2	11%
In certain cases	1	6%
Total Responses	18	100%

Home Purchase Assistance

26. Does your company assist with the purchase of a house in the destination location (closing costs, estate agent fees, etc.)?	Number of Responses	Percent Responses
No	18	95%
Only in certain cases	1	5%
Yes, always	0	0%
Total Responses	19	100%

27. Please describe what type of house purchase assistance is provided (check all that apply):	Number of Responses	Percent Responses
Estate agent fees	N/A	
Home inspection fees		
Closing costs		
Other		
Total Responses		



Additional Considerations

28. Do you provide transition or "soft-landing" assistance for any of the following?	Number of Responses	Percent Responses
No additional transition assistance	14	70%
Cost of living	5	25%
Education	3	15%
Hardship	2	10%
Other	0	0%
Total Responses	24	

29. Do you cover any other relocation-related expenses for domestic moves within China?	Number of Responses	Percent Responses
No, we don't cover any other expenses	11	50%
Return trips to origin location	3	14%
Spousal assistance	3	14%
Pet shipment	1	5%
Destination services	1	5%
Rental car	1	5%
Duplicate housing assistance	0	0%
Other	3	14%
Total Responses	23	

30. Do you have a "claw-back" or repayment clause in which the employee must repay the company for some or all relocation costs if the employee leaves the company under specified circumstances within a certain time frame after moving?	Number of Responses	Percent Responses
Yes, within the first 12 months	10	45%
No, we don't have a repayment clause	5	23%
Yes, within the first 24 months	4	18%
Yes, within the first 36 months	0	0%
Other	3	14%
Total Responses	22	100%

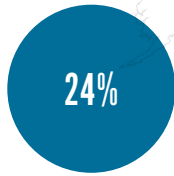


Demographics



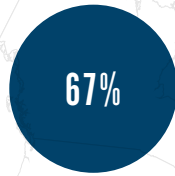
10%

Asia



24%

Europe



67%

North America

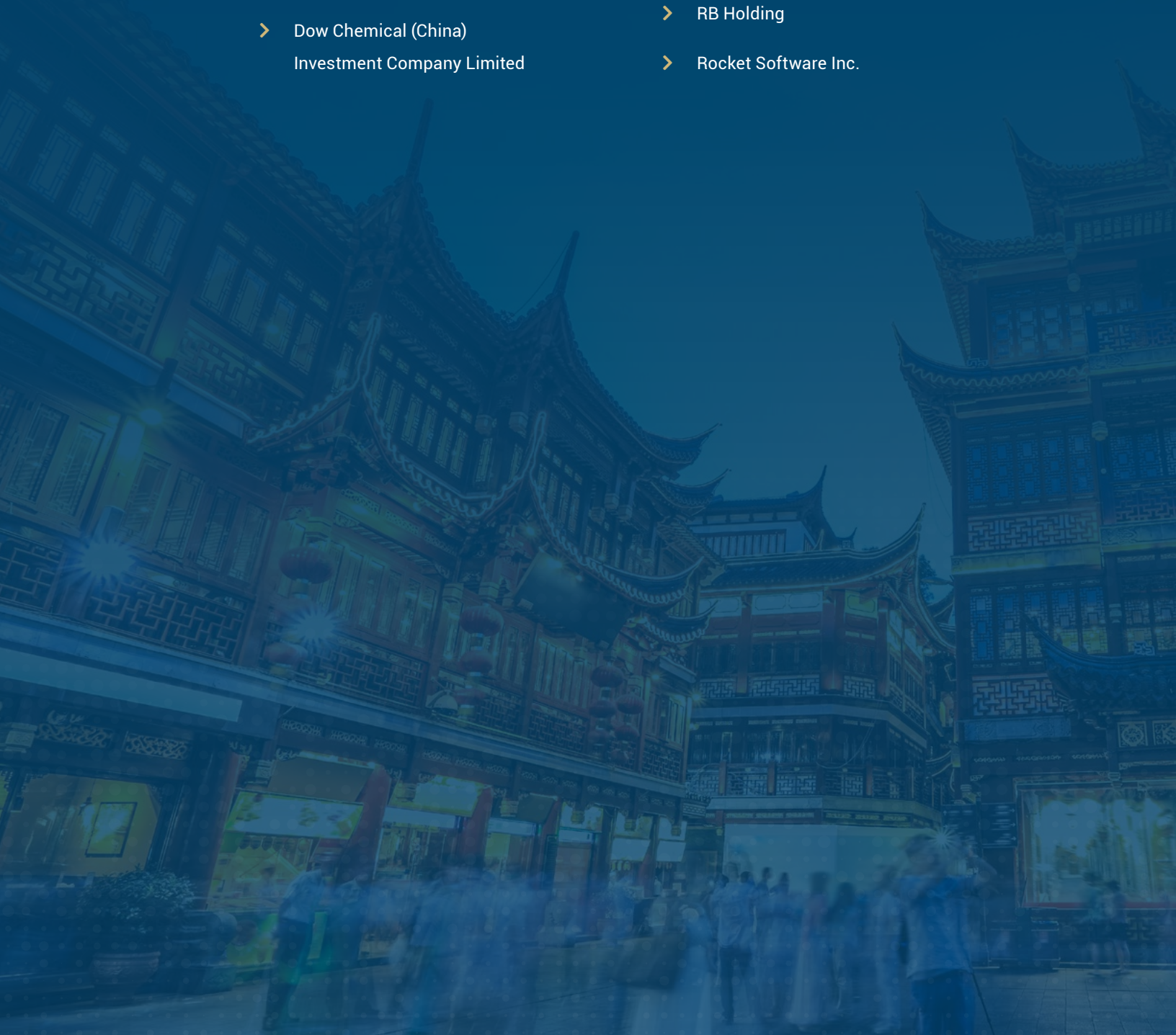
Headquarters Region

Primary Industry	Percent Responses
Computers/Software/High-Tech	29%
Consumer Goods	10%
Manufacturing	10%
Oil/Gas	10%
Apparel/Retail	5%
Automotive	5%
Chemicals	5%
Engineering	5%
Entertainment	5%
Financial Services	5%
Leisure/Hospitality	5%
Pharmaceuticals	5%
Other	5%

Approximate number of intra-Chinese relocations in the past year:	Percent Responses
Less than 25	37%
26-100	47%
More than 101	16%
Total	100%

Partial List of Participating Companies:

- > BD
- > BOE Technology Group Co., Ltd.
- > BP
- > Caterpillar
- > DELL
- > Dow Chemical (China) Investment Company Limited
- > Ford
- > Intact Financial Corporation
- > Mead Johnson Nutritionals (China) Ltd.
- > Micron Technology Inc.
- > RB Holding
- > Rocket Software Inc.





Americas

AIRINC Headquarters

Cambridge, MA

United States of America

T +1 617 250 6600

EMEA

AIRINC Europe

Brussels, Belgium

T +32 (0)2 650 0970

AIRINC United Kingdom

London, United Kingdom

+44 (0)20 3514 8650

APAC

AIRINC Asia-Pacific

Hong Kong

T +852 2541 8380