

# International Assignment Policy Framework

A practical guide for HR and Global  
mobility leaders managing expats

Entwickelt von WorkFlex – der Software für internationale Reise-Compliance, die  
bereits von über 5.000 HR- und Global-Mobility-Expert:innen genutzt wird.



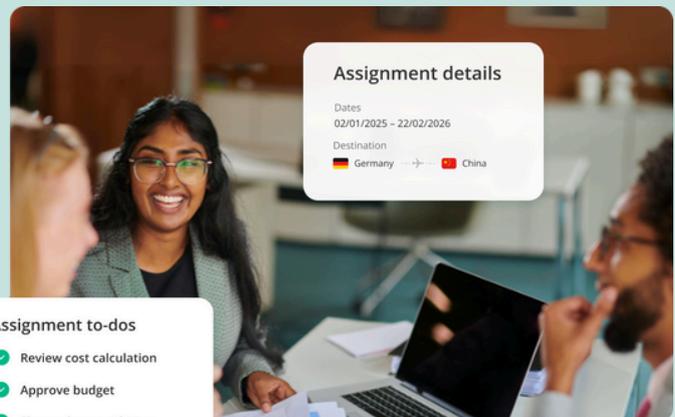
# About the framework

This international assignment policy framework provides a **comprehensive structure for your organization's international assignment policy**. Whether you're managing short-term assignments or longer-term expat projects, this policy framework is designed to be adaptable to your organization's needs while maintaining best-practice examples of topics to cover in the policy.

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# Purpose of the Assignment Policy

This policy establishes the framework for [Company Name]'s approach to international assignments. It aims to:

- Define clear guidelines for the management of international assignments
- Ensure fair and consistent treatment of all assignees
- Support business objectives through strategic deployment of talent
- Facilitate skills and knowledge transfer across the organization
- Provide development opportunities for employees
- Ensure compliance with legal, immigration, and tax requirements in home and host countries
- Manage costs effectively while maintaining competitive assignment packages

## **i** How to use the framework:

- Read through the framework and **start editing it according to your organization's specific assignment types, purposes and strategy**. Keep in mind that the provisions and support offered to assignees are provided in general terms. Your task is to determine **if the offered option works for your organization's needs**. Additionally, think if you would introduce **additional changes to long-term vs. short-term assignments**.
- **Most common places for company-specific adaptation are marked in green;** however, more adjustments might be required, depending on your company assignment specifics.

## Scope

This policy applies to [Company Name] and all entities in which [Company Name] directly or indirectly holds an interest of more than 50%.

It covers employees who are **temporarily relocated from their home country to work in another country** where [Company Name] has operations. This includes:

- All employees assigned from headquarters to subsidiaries
- All employees assigned from subsidiaries to headquarters
- All employees assigned between subsidiaries
- All executives, managers, and professionals on temporary assignment

This policy does not apply to:

- Local hires
- Permanent transfers
- Business travelers (unless specified)
- Independent contractors

# Policy segmentation

## 1. Assignment duration and pattern

[Company Name] recognizes that different types of international assignments serve different business purposes and require distinct approaches. The policy is segmented based on:

### ▶ **Short-term assignments: [3-18] months**

- Designed for specific projects or temporary roles
- Tailored relocation support appropriate for shorter duration
- Specific provisions for family arrangements
- Assignment-appropriate compensation structure
- Streamlined employment contract approach

### ▶ **Long-term assignments: More than [18] months and up to [5] years**

- Designed for extended roles and strategic positions
- Comprehensive relocation support suited for longer-term moves
- Family integration provisions
- Structured compensation approach
- Formalized employment contract arrangements

### ▶ **Commuter assignments:** Regular travel between home and host location without relocation

### ▶ **Business travelers:** Frequent business trips to multiple countries

## 2. Assignment purpose or strategic impact

### ▶ **Strategic assignments:** Critical business needs, leadership roles

### ▶ **Project-based assignments:** Specific project implementation

### ▶ **Developmental assignments:** Talent development and succession planning

### ▶ **Technical assignments:** Knowledge or skills transfer

### ▶ **Request-based assignments:** Employee-initiated moves

**i** The assignment's purpose **influences the support package structure**, with different provisions based on the business objectives and assignment requirements.

### 3. Geographic segmentation

- ▶ **Intra-regional assignments:** Within the same geographic region
- ▶ **Inter-regional assignments:** Between different geographic regions
- ▶ **Hardship location assignments:** Locations with challenging living conditions (additional provisions typically apply)

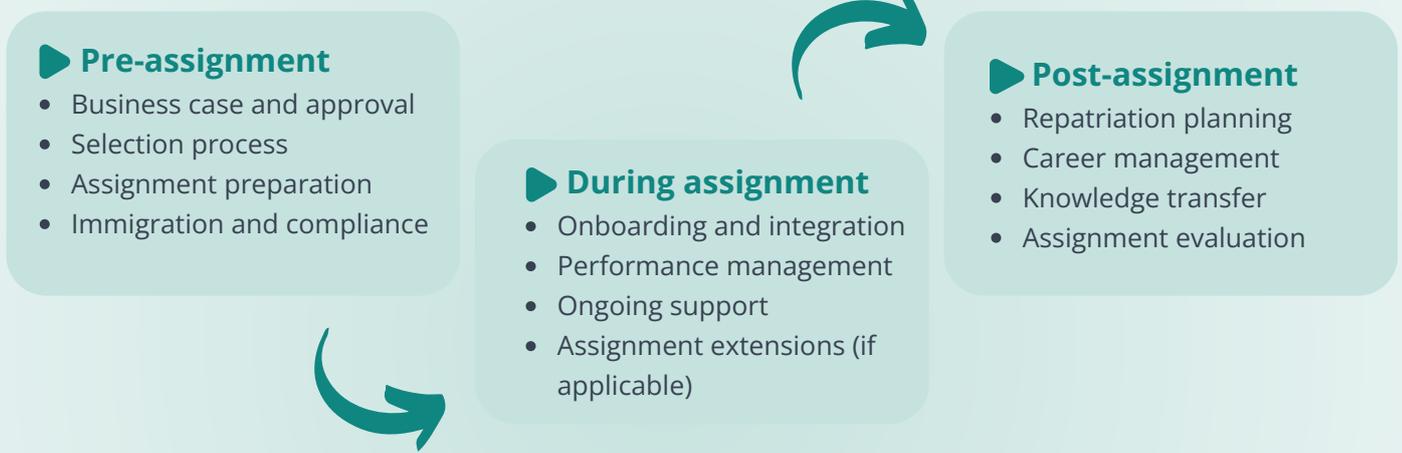
## Definitions

- ▶ **Assignee:** All [Company Name] employees including Managers, Managing Directors and members of the Board of Directors or Management Board who are assigned to another country.
- ▶ **Home company/Country:** The company/country from which the assignee is sent.
- ▶ **Host company/Country:** The company/country to which the assignee is sent.
- ▶ **Short-term assignment:** An international assignment with a duration of [3-18] months.
- ▶ **Long-term assignment:** An international assignment with a duration of more than [18] months and up to [5] years.
- ▶ **Family members:** Spouse/partner and/or dependent children.
- ▶ **Spouse/Partner:** The assignee's life partner (opposite or same gender) either by marriage/civil partnership or someone who has been co-habiting with the assignee as a partner in an enduring family relationship prior to the assignment.
- ▶ **Dependent children:** The assignee's biological children, stepchildren or children who have been fostered or adopted who meet the following criteria:
  - Fully financially dependent on the assignee
  - Live in the same household as the assignee
  - In the custody of the assignee
  - In full-time education up to the end of the academic year in which they reach the age of [21]
- ▶ **International assignment management (IAM) department:** The department responsible for the strategic and operational management of international assignments within [Company Name].
- ▶ **Assignment agreement:** A formal agreement that supplements the employment contract and outlines the specific terms and conditions of the international assignment.

- ▶ **Suspension agreement:** An agreement that temporarily suspends the employment contract with the home company during the assignment period. The employment contract will be reactivated upon repatriation.
- ▶ **Reference salary:** The base salary at the start of the assignment for the function performed during the assignment.

# Process of international assignments and responsibilities

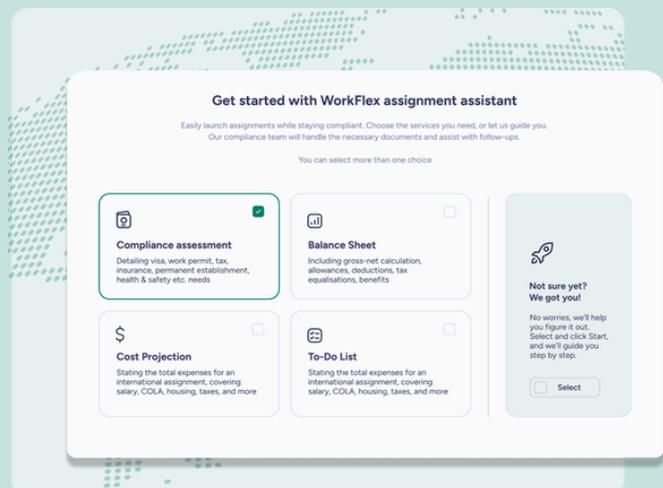
## 1. Assignment lifecycle



### 💡 Unsure if the next assignment aligns with your budget?

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## 2. Key responsibilities

### ▶ International Assignment Management (IAM) Department

- Strategic and operational management of international assignments
- Policy development and implementation
- Cost management and budget planning
- Coordination with external service providers
- Compliance oversight (tax, immigration, etc.)

### ▶ Direct manager

- Identifying the business need for an assignment
- Leadership and performance management of the assignee
- Setting clear objectives and expectations
- Supporting career development

### ▶ Assignee

- Providing necessary documentation for immigration and tax purposes
- Compliance with local laws and regulations
- Performance in the assignment role
- Cultural adaptation and integration

### ▶ Local HR in Home/Host Country

- Partner for business and responsible for set-up and local administration of assignment
- Support for local integration and compliance
- Day-to-day HR support during the assignment

### ▶ Tax Department

- Responsible for corporate taxes relating to an assignment

### ▶ Controlling Department

- Ensuring correct internal invoicing of assignment costs
- Administration of assignment cost centers

### ▶ Insurance Department

- Contracting an international health insurance provider
- Administration of related services

### 3. Assignment approval process



#### Need help with cost projections for business case preparation?

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**Assignment details**

 Ben Sauerbeck  
Development Manager

**Assignment to-dos**

- Review cost calculation
- Approve budget
- Sign assignment letter
- Fill in details for work permit
- Approve health insurance

**Documents**

-  Compliance risk assessment  
-  Visa / Work permit  
-  Health insurance certificate  
-  A1 certificate  

# Cost allocation

Assignment-related costs will be allocated according to the following principles (choose the appropriate option):

## ▶ Standard approach

- Host entity bears all costs
- Home entity bears all costs
- Cost sharing between home and host entities

## ▶ Specific cost allocations

	Home entity	Host entity
Base salary	<input type="checkbox"/>	<input type="checkbox"/>
Assignment premiums and allowances	<input type="checkbox"/>	<input type="checkbox"/>
Relocation costs	<input type="checkbox"/>	<input type="checkbox"/>
Tax equalization costs	<input type="checkbox"/>	<input type="checkbox"/>
Housing costs	<input type="checkbox"/>	<input type="checkbox"/>
Education costs	<input type="checkbox"/>	<input type="checkbox"/>

# General conditions

**i** **Conditions of assignments differ by company.** For example, the level of support for each type of assignment, short-term and long-term, is usually customized. Further on, we provide you with **topics and questions you should consider when crafting your organization's customized list of assignment conditions.**

## 1. Contractual approach

Your company could apply different contractual approaches based on the assignment type, duration, and specific country requirements:

### ▶ For Short-term assignments:

- Home employment contract remains active
- Assignment agreement with home company as an amendment to the employment contract
- Payroll remains in home country
- Simpler administration and easier repatriation process

### ► For long-term assignments:

- **Option A:** Local employment contract with host company + Supplemental agreement with host company + Suspension agreement with home company
- **Option B:** Home employment contract remains active + Assignment agreement with home company
- More complex administration but provides better integration into host location

The IAM department should determine the appropriate contractual approach based on statutory requirements and other key factors.

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## 2. Compensation approach

Your company could apply a [home-based/host-based/hybrid] approach to compensation during international assignments:

- **Home-based approach:** Maintains the assignee in the home country compensation scheme while providing appropriate premiums for the assignment
  - **Host-based approach:** Transitions the assignee to the host country compensation structure
  - **Hybrid approach:** Combines elements of both home and host country packages
- 

## 3. Preparatory interview

Prior to the assignment, the IAM department should conduct a comprehensive briefing with the assignee to explain:

- Policy content and application
  - Assignment terms and conditions based on assignment type (short-term vs. long-term)
  - Roles and responsibilities
  - Relocation process (simplified for short-term, comprehensive for long-term)
  - Support services available (varying by assignment type)
  - Differences in benefits and allowances by assignment type
- 

## 4. Medical examination

A medical examination should be carried out before departure and is recommended for all assignments, particularly for intercontinental moves. The examination can help ensure:

- The assignee's health is suitable for the assignment location
- Appropriate vaccinations are identified and administered
- Any pre-existing conditions are properly managed

## 5. Language tuition

Your company should provide **language training for the assignee and accompanying family members** in cases where the host country language differs from the home country language. Standard provisions include:

- [X] hours of training for the assignee
  - [X] hours of training for the accompanying spouse/partner
  - [X] hours of training per accompanying child (above age [6])
- 

## 6. Cultural training

**Intercultural training should be offered to help the assignee and accompanying spouse/partner adjust to the new culture,** job, and way of life in the host country. The training could cover:

- Cultural awareness and sensitivity
  - Business practices and etiquette
  - Day-to-day living and social norms
  - Adaptation strategies
- 

## 7. Residence and work permit

**A valid visa, work permit, and/or residence permit is mandatory for an assignment.** According to best practices, your company should:

- Arrange and cover costs for necessary services to obtain required permits
  - Reimburse expenses related to application fees, translations, and authentications
  - Assist in applying for visas and permits for accompanying family members
  - Provide support through a relocation service provider where necessary
- 

## 8. Transfer and travel expenses

**Travel time is usually considered as working time** equivalent to a business trip. Your company could decide to cover all or part of the following:

- Economy/Business class airfare (based on flight duration)
  - Airport transportation
  - Baggage allowance
  - Travel insurance
- 

## 9. Car and driving

**The policy for company cars and transportation usually depends on the assignee's entitlements and the host location:**

- Assignees entitled to a company car in their home country are usually provided with a company car in the host country

- Assignees without company car entitlement usually receive a transportation premium
  - Local driver's license requirements must be met by the assignee
  - Costs for transcription or translation of driving licenses could be covered by company
- 

## 10. Home leave

**Your company should provide support for home leave to maintain connections with the home country:**

- **Frequency:** [X] trips per year based on assignment type and location
  - **Coverage:** Economy/Business class airfare for assignee and accompanying family
  - **Eligibility:** After completing [X] months of the assignment
- 

## 11. Connection to home company

**To maintain connections with the home company during the assignment, your company could provide:**

- Regular communication with home manager/department
  - Inclusion in relevant home country communications
  - Participation in key home company events where possible
  - Career discussions with home company HR/management
- 

## 12. Mobility premium

**A mobility premium is usually provided to:**

- Reward the assignee's willingness to take an assignment
- Compensate for distance from home, cultural differences, and general inconvenience
- Provide for total daily living costs in the host country

**The premium amount varies based on:**

- Host country location
  - Family size
  - Assignment duration
- 

## 13. Cost of living and hardship allowance

**Cost of living adjustments ensure that assignees maintain their purchasing power in the host location:**

- Based on data from third-party providers like WorkFlex
- Adjusted periodically to reflect economic changes
- Calculated as a percentage of the reference salary

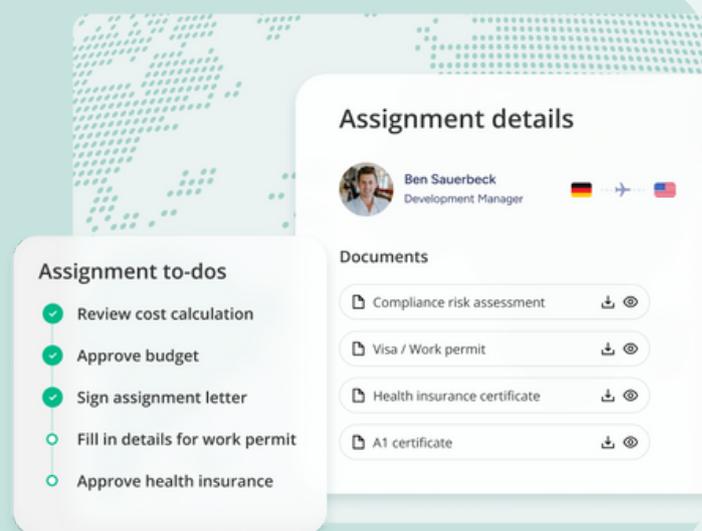
### Additional hardship allowances may apply for locations with:

- Challenging climate and pollution levels
- Political instability or security concerns
- Inadequate infrastructure or medical facilities

## 💡 Need help with cost of living calculations?

At a fraction of cost compared to traditional providers, WorkFlex generates the cost projections for assignments worldwide in minutes, not weeks.

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## 14. Tax approach 📊

Your company could decide to follow a tax equalization approach to ensure that assignees pay approximately the same amount of tax as they would have paid had they remained in their home country:

- **Hypothetical tax:** Calculated based on home country tax rules applied to the reference salary
- **Actual tax:** Taxes due in the host country (and potentially home country) on the assignment compensation
- **Tax equalization:** Process to balance the difference between hypothetical and actual taxes
- **Tax return support:** Professional tax preparation assistance for both home and host country returns

## 15. Social security approach 🙏

Your company should aim to retain assignees in their home country social security scheme where possible:

- Based on bilateral social security agreements between countries
  - Voluntary contributions to home country schemes where permitted
  - Alternative arrangements when home country participation is not possible
  - Family health insurance coverage for non-accompanying family members
- 

## 16. International health insurance 🏥

To ensure appropriate healthcare coverage, **assignees and accompanying family members should be enrolled in an international health insurance plan:**

- Comprehensive medical coverage in the host country and globally
  - Emergency evacuation services
  - Coverage for visiting family members for limited periods
  - Coordination with local health systems where applicable
- 

## 17. Accident insurance ⚠️

[Company Name] will continue coverage **for group accident insurance where available or required.** This includes:

- 24-hour personal accident coverage
  - Business travel insurance
  - Emergency medical assistance
- 

## 18. Other insurances 🛡️

[Company Name] will advise on and/or provide additional insurance coverage as needed:

- Personal liability insurance
  - Home contents insurance
  - Vehicle insurance
  - Legal expense insurance
- 

## 19. Company pension scheme 👤

Pension arrangements during international assignments could be structured to maintain benefits while complying with legal requirements:

- Continued participation in home country pension plan where possible
- Alternative arrangements when home plan participation is not possible

- Handling of any mandatory host country pension contributions
  - Treatment of supplementary pension schemes
- 

## 20. Seniority

**The assignment should have no impact on years of service.** The initial start date of employment with the home company remains unchanged for:

- Calculation of service-based benefits
  - Career development planning
  - Performance management
  - Succession planning
- 

## 21. Club memberships

It's nice if your company recognizes the importance of social integration and networking in the host location, and chooses one of the following policies for club memberships

- **Standard approach:** Club membership costs borne by assignee
  - **Exception for hardship locations:** Coverage for one social club membership
  - Business club membership may be covered based on business needs
- 

## 22. Conduct in the host country

Usually, assignees are expected to comply with the following:

- Comply with all local laws and regulations
  - Respect local customs and cultural norms
  - Represent [Company Name] professionally
  - Adhere to company code of conduct and policies
  - Maintain appropriate security awareness
- 

## 23. Repatriation

The repatriation process is designed to accommodate the specific needs of different assignment types. See details in assignment type-specific policies.

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## 24. Re-entry clause

**Your company is expected to undertake reasonable efforts to find a suitable position for the assignee upon repatriation:**

- Comparable to pre-assignment position or reflecting new skills/experience
- At an appropriate level within the organization
- Utilizing skills and knowledge gained during the assignment

## 25. Recall

Your company can reserve the right to recall an assignee before the planned end date due to:

- Business reasons
- Performance issues
- Security concerns
- Compliance violations
- Personal circumstances

In case of recall, [Company Name] will provide:

- Reasonable notice period
- Support for relocation back to home country
- Career transition assistance

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## 26. Termination

In case of employment termination during the assignment, there are several scenarios to follow:

- **By [Company Name] for business reasons:** Full repatriation benefits provided
- **By [Company Name] for cause:** Limited or no repatriation benefits
- **By the assignee (resignation):** Pro-rated reimbursement of relocation costs may be required



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