

# Expatriate Assignment Issues: Employees



- Career enhancing or a “dead end”
- Beginning of long term expatriation or short to medium term development assignment
- Remuneration
  - Degree of assignment incentive and adequacy within the host country cost environment, including accommodation
  - Linkage to pensionable salary and superannuation guarantee
  - Taxation - including residency and impact of non-residency on any Australian investments, including absentee land tax
  - Flexibility and tax effectiveness
  - Loss of Australian capital gains tax exemptions/discounts
  - Currency of remuneration payment(s)
  - Health and life insurance - adequacy of coverage
  - Education costs - local and Australia/boardings
  - Access to tax and financial planning advice
  - Repatriation and Travel costs
- Who is the legal employer?
- Pre-assignment visit
- Cultural compatibility, employee and partner, with host country
- Spouse/partner access to work in host country
- Visa conditions and duration
- Housing - quality, type and location
- Educational, health and leisure facilities in the host country/location
- Leisure facilities
- Base country visits - frequency and flexibility
- Security in host country
- Recognition of “total” service if separation should occur overseas

# Expatriate Assignment Issues: Employers



- **Professional, cultural and organizational “fit” of employee and spouse**
- **Remuneration**
  - Selection of remuneration base: base country plus expat allowances, local contract with expat benefits, pure local contract etc.,
  - Valuation of benefits
  - Pension arrangements – Australian and/or offshore, superannuation guarantee and certificates of coverage
  - Currency(ies) of payment
  - Tax compliance and effectiveness – base and host country
  - Life and health cover
  - Treatment of share options
- **Legal**
  - “Secondment” or complete cessation of local (Australian) employment contract
  - Who is the contractual employer?
  - Applicable employment law and local statutory protection
- **Professional Development**
  - Maintaining ties between expatriate and seconding company
  - Responsibility for ongoing management and technical training
  - Re-entry planning
- **“Hygiene” Issues**
  - Offshore payroll
  - Relocation management
  - Housing
  - Education policy
  - Tax counselling
  - Cost sharing