

# Top50 RELOCATION QUESTIONS from Transferees

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## What are the Top 50 Relocation Questions from Transferees?

Every year, we move thousands of corporate transferees around the globe. Some are homeowners, some are renters, some are domestic and some are international. We handle group moves, family moves, individual moves, temporary moves and even permanent moves. As you can probably imagine, we have fielded just about every transferee question pertaining to relocation there is... even some real stumpers!

As we are gearing up for the busy relocation season, it dawned on us that we should be documenting all of the questions we receive and the answers we provide so that we can share it with you, as well as our transferees.

If you have ever wished for a desk reference of frequently asked relocation questions so that you can respond to your employees, this eBook is for you. If you are a transferee with a million questions running through your head, this eBook is for you, too.

Without further ado, here are the 50 most common questions we receive from transferees and the answers that we provide on a regular basis. We hope you find this helpful and if you have anything to add, please let us know!





# General Relocation Questions

## 1

## How do I know if this relocation is right for me?

**Before accepting a job offer in a new location, there are practical and personal factors that you must consider. You should start by asking yourself these questions:**

**Practical:**

1. Is the new job right for me? Will this opportunity round out my knowledge, skills and abilities?
2. Will I have a similar or better quality of life in the new location?
3. Will my new salary accommodate the cost of living in the new location?
4. Will it be difficult to sell my current home and buy one in the new location?
5. Will the relocation benefits cover most of my moving costs?

**Personal:**

1. Would my spouse/family be happy with the move?
2. Will it be easy for my spouse to find work in the new location?
3. How strong are the schools in the new location?  
Do I need to consider a private school for my children?
4. Would it be easy for me and my family to make new friends?
5. Will we have extended family support in the new location?
6. Does the new area have an active social scene?

These are just a few preliminary questions that get at your professional and personal needs. You should also analyze your financial situation to see if the relocation is a good idea.



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## Can I bring my children on the home finding trip?

You can bring your children on the home finding trip, but it is up to your company to decide how that cost is covered. Typically companies do not pay for travel for the kids, so you will need to use miscellaneous allowance funds to cover this cost. Some companies may approve to pay for child travel as an exception to the policy, but this is done on a case by case basis.

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## How do I get my kids registered in a school before I have a permanent address in my new community?

This is, unfortunately, a challenge. The rules vary by school district. You may be able to show your job offer letter, invoice for hotel or temporary living, lease agreement and/or a letter from your employer. Once you decide on a school, the best thing to do is to call the administration right away and explain your situation.



## My partner will have to change jobs if we move. What should we do?

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Unfortunately, you and your partner are the only ones who can decide if this is the right decision. We can tell you that you are not alone. As dual income homes become the norm, more transferees are moving with partners who will have to leave a job due to the relocation. Without a doubt, this is emotionally difficult for trailing partners who inevitably worry about finding a new job at the new location. It also presents a financial challenge as banks will now only consider the single remaining income for mortgage approvals. If your trailing partner can show proof of employment or an offer of employment in the new location, the bank will consider both incomes.

Companies are aware of these challenges, however, and may provide you with spousal assistance benefits designed to help your partner find a new job at the new destination.

## What happens if the cost of living is higher in the new location?

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The cost of living in the new location should be factored into your decision as to whether or not you want to accept the relocation or the new position. Some companies who may have a hard time recruiting specific talent to a high cost area or have a specific talent need in a higher cost location may offer a cost of living adjustment. This is usually in the form of a “reverse-graduated” payment, paid over three years to help ease the person into the higher cost area. However, these cost of living adjustments are rarely offered and the situation has to be unique.

## Why do I have to sign a payback agreement?

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A payback agreement is a contract that you sign with your company stating that you will pay back a determined amount of the relocation expenses incurred if you decide to leave the firm within a certain time frame after the relocation is completed. Every company approaches the payback agreement differently and that can be confusing for HR, senior management and you. Since payback agreements do vary widely, be sure to read your agreement carefully so that you understand what is expected of you (and your company) after the relocation.





# Home Sale Questions

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## **What happens if I can't sell my home?**

If you cannot sell your home, it is almost always because of location, price, or condition. The way to overcome location and condition is to lower your price. If you cannot lower the price because you are upside down in the mortgage, then you will need to consider a short sale, where the bank will forgive the balance of the loan in lieu of foreclosure. Otherwise, you can rent the house if you have the time and resources to do so.

## **Can I rent my own home and use temporary living to pay the first month's rent?**

Employers are learning to become more flexible with their benefits as one size does not always fit all. The best time to negotiate exceptions to the written policy is up front. In most instances, an employer will agree to substitute a month of rent for a month of temporary living, because, in most instances, the cost of a month of a lease is considerably lower than a month of temporary living. However, depending on the company culture, an employer will look to you to save the company money anywhere you can as you relocate. To them, a temporary living benefit is intended to help you until you find suitable other housing. If you have already found that housing, they might look at temporary living as no longer being necessary.

## What is a BVO?

BVO stands for Buyer Value Option. In a BVO, there are no appraisals of the home for sale. Instead, the home is listed and marketed until there is a purchase offer. Once an offer is obtained, that offer establishes the value (the “buyer value”), and that is what the employer offers the employee for the home. This value, because it has been established by an actual offer from an unrelated buyer, will be respected as fair market value.

Once the offer is made, an unconditional, non-contingent offer is made by the employer to the employee; the employer then attempts to negotiate and close its own sale to the buyer who made the outside offer. If there is no offer made on the home within the initial marketing period, either a new marketing period will be established or the company will revert to an amended value option.

## How does the BVO benefit me?

The BVO price is arrived at by the actual current buyers so, if you are in an improving market, this is a great thing! You will not have to worry about home value being determined by historic rates. Unfortunately, if you are in a down market, the opposite is true.

You will have to take market price, even if the home sold for more in previous years.



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## What is a GBO?

GBO stands for Guaranteed Buyout. This type of home sale enables you (the homeowner) to proceed with the relocation without the worries associated with identifying a ready, willing and able buyer, and all the emotional back and forth haggling with an irrational buyer. In a guaranteed sale program, the company determines a fair market value of your home, taking recent comparable sales, a reasonable marketing time and property condition into consideration. Typically, in these programs you are given a period of time to try to obtain a better qualified offer from an outside buyer, in which case the company will amend their terms to match those of the buyers. Today GBOs are typically used by exception, reserved mostly for senior executives and/or highly sought talent.

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## Why are relocation appraisals always low?

While there are many factors that influence the appraised value, the biggest culprit for lower than expected valuations is the forecasting adjustment tool.

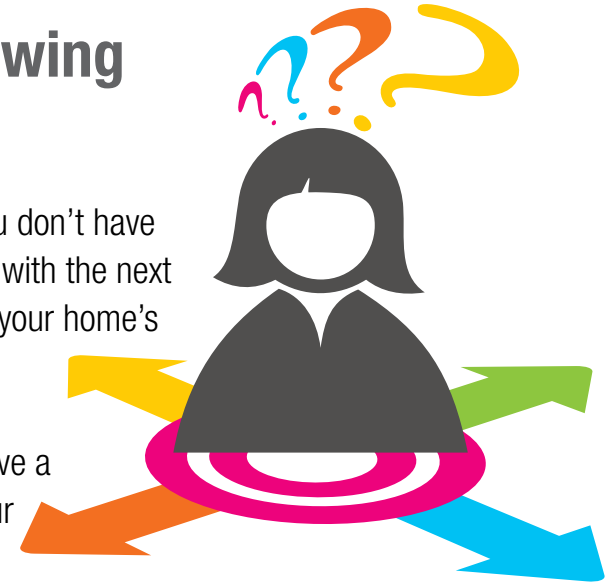
The forecasting adjustment tool is a factor which predicts the price the home will sell for within 120 days. In a balanced housing market, with low inventory, this adjustment would be zero. When there is an oversupply of homes and a lack of ready, willing and able buyers, this adjustment puts downward pressure on pricing. For a transferee's home to sell first, it has to have the best perceived value for the price. As sellers jockey for best value, prices slide. And so the cycle continues.

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## How can I sell my home before knowing where I am going to live?

Remember, when selling your home, you are in the driver's seat. You don't have to sell to anyone, even a full priced buy, before you are comfortable with the next step. The entire process begins with your old home. Understanding your home's value impacts your ability to define a price range at the destination. Compare and contrast two or more broker market analyses. If the Realtors do a thorough job, at the end of the process you should have a good idea what you can do at the destination. Go ahead and list your home and, at the same time, begin the research on the destination.

If an offer comes in before you find the right community, negotiate a longer settlement. If the offer is too good to pass up, you can always use furnished temporary housing until you can settle.



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## How do I start the home-finding process?

Start with the financing. Using a reputable lender, gain an understanding of both what you can afford and what the total payments would look like. Although a pre-approval gives you and the sellers a higher level of confidence, they take documentation and time. Initially, you just need the ballpark. You can shop rates and lenders later. Next, work with a destination broker who is seasoned in working with transferees and the challenges of not being at all familiar with the area and points of interest. Give your Realtor your "must haves" and preferences as far as style of housing, commuting time, education options, houses of worship, etc. Take an area tour, briefly visiting compatible communities and maybe even some properties. The trick here is to get an idea of the communities you want to follow. So when it is time to act, you will be educated.

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## How do I calculate my equity to determine if I will have enough money to sell?

Begin with your property value. Using two or more reputable Realtors with a proven track record, ask for a comprehensive marketing analysis. They will also be able to give you a ballpark estimate of anticipated closing costs, such as real estate commission, transfer tax, recording fees and other traditional local fees. If your employer is covering a portion of the closing charges, confer with your counselor on what will be your responsibility. Other deductions to take from the home value would be any mortgage or line of credit tied to the property, unpaid taxes, community dues, vendor liens and community assessments (due or anticipated). Once you have the value and anticipated deductions, you will have a reasonable idea of equity or negative equity (in the event the sales price does not cover the reductions). Lenders will require negative equity be resolved on or before the property closing. If you anticipate a negative position after the sale, you should discuss the possibility and ramifications of a short sale with your Realtor. If you know early enough, choose a listing agent adept in the short sale process. The Realtor is integral in the negotiations with the lender.



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## **If a previous potential buyer found a defect that we refute, do we still need to disclose it to potential buyers?**

If a previous buyer finds a defect that is an actual defect, then you will need to disclose that defect. Of course, if you dispute the defect then you will need to have a specialist determine if the defect exists. If there is a defect, disclose it. If it is not a defect, then you do not need to disclose. You must have this in writing, however, in case the problem arises in the future. All this being said, it is always better to over disclose.

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## **Should I rent out my old home to wait for the market to come back, or should I take the hit now and sell at a loss?**

On the surface this appears to be a win/win solution. However, in most circumstances, we do not recommend renting out your home. Being a landlord is a big job that will require a lot of your attention, causing you even more stress during an already stressful time. Before you take the plunge, be sure to calculate how much extra you will have to pay in insurance to have tenants, any repairs needed to ready the home for tenants, any damage that may be incurred as a result of wear and tear, legal representation to draw up a lease and represent you in the case of a lawsuit, an escrow fund if something breaks and, finally, wages if you need someone to help you manage the home from afar. As you can see, renting out your home is not as simple as handing over your keys. There are financial, legal and regulatory impacts that you will have to consider.



# Common Household Moving Questions



## Are there things I should consider getting rid of because the cost of relocating them is more than their actual value?

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More often than not, pantry items are not worth the cost of relocating them. Typically, moves are priced by weight so even though canned goods sell for well under a single dollar, the cost to move them is much more. Rather than wasting pantry items that are still perfectly good, donate them to a local food bank. Or, find out if the mover or relocation company you are working with partners with Move for Hunger, a non-profit that collects unused pantry items from families who are moving and donates them to local food banks for you.

Aside from food, there are some instances in which some of your furniture may not be worth the cost of relocation either. For example, if you know that your giant sectional couch won't fit through the doorway of your new home, there are ways to cut it, move it in, and then put it back together. But, the cost of doing so is pretty close to the cost of a brand new couch. Before you make any decisions on furniture, make sure you know the measurements in your new home and definitely talk to your mover.

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## What items are not allowed to be shipped?

Your mover should send you a list of “do not pack” items. This list will include things that fall into one of two categories:

- Extraordinary value items
- Prohibited items

Extraordinary value items include things like large amounts of cash, legal documents like a deed or a will, moving documents, cherished photographs, furs, valuable jewelry, and any form of identification.

Prohibited items include some obvious and some less obvious things. Some of the obvious include anything flammable like aerosol cans or gasoline, as well as chemicals (including cleaning liquids and bleach). Other things, like batteries, house plants, and perfume are less obvious but just as important.

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## Why can't I just load my car with items?

For smaller moves, a lot of people try and just pack all of their household goods into their own vehicle(s) and then head on over to their new home. There are a few problems with this idea.

Moving in the summer or winter can mean a lot of extreme weather. An over-stuffed car full of not only all of your belongings, but you and your family as well combined with a heat wave or a cold front is both uncomfortable and dangerous. Professionals can provide a climate controlled environment for your belongings to protect them from damage caused by heat and humidity.

Further, you can seriously damage your furniture if it isn't packed correctly. And strapping your bed on the roof of your car is not only dangerous, but it will ruin the mattress by bending it once it is strapped down.

## I'm overwhelmed with packing. Tips?

**If you are packing yourself there are a several things you should do:**

- 1. Start early.** You never realize how much you have until you try packing it all into boxes the day before your move. We like to recommend starting several weeks before moving day so you can go at your own pace without adding any extra anxiety.
- 2. Pack like items together.** Start packing one room at a time and keep similar items together. For example, don't pack books in with your glassware and don't pack your toiletries with your linens.
- 3. Label.** It may seem like extra work during the packing process, but you'll be glad you did it when it comes time to unpack. It will help you avoid tearing through multiple boxes to find your favorite movie your first night in your new home.
- 4. Pack an essentials box.** Pack a box or two of things you know you will need right away. Think bath towel, sheets, a couple outfits in one and paper plates, napkins, plastic silverware, a few glasses, a pot, and a pan in another.
- 5. Protect delicate items.** Before you pack your dishes, make sure you wrap them in packing paper or newspaper so they don't chip or crack. The same goes for glasses, coffee mugs, and anything else breakable.
- 6. Watch the weight.** Once you start packing items like dishes and books, the boxes will get heavy quick. Try and keep every box at 50 pounds or less.



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## Why does my mover need to do a home survey?

A mover cannot give an accurate cost estimate without physically seeing everything that needs to be moved. In fact, if a moving company gives you a quote without doing a home survey, it's a red flag for a moving scam. A typical moving scam will have you fill out an online form for a price quote. Then, they charge you a lot more on moving day, after your goods are in the truck. They'll even go as far as holding your goods hostage until you pay the new price.

A home survey allows your mover to see the amount of goods that you have, as well as the type of materials your furniture is made from. It also lets you meet the company before you decide to buy – and ask questions that can help you assess legitimacy.

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## How do I move my pet?

This depends on the type of pet, whether your move is domestic or international and how you are traveling to your new home. The one thing that stands true no matter what your situation is that you need to make an appointment with the vet. The vet will make sure your pet is up to date on all vaccines and can tell you if your new destination requires any additional vaccines. The vet can also recommend medications for anxious pets to help keep them calm.

If you are flying, do some research and find a pet friendly airline. Many popular airlines, like JetBlue, Delta, and United have pet travel options. Depending on the size of your pet, they may even be able to come on board with you. There are also special pet relocation companies. Check with your counselor to see if your company covers the cost of moving your pet with such a vendor.



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## How long does it take the movers to pack my home?

This all depends on how much stuff you have, what the movers are packing and what you are packing yourself.

## How long will it take the movers to load the truck?

While this depends on what you have, the ball park estimate is 1,000 pounds an hour. In other words, a three bedroom home may take 8-10 hours to load, while a townhouse might take 6 hours and an apartment 4 hours.

## Do my appliances need special attention?

Most refrigerators, washers, dryers and other electrical or mechanical appliances require special servicing to ensure safe transportation. Any moving parts such as motors on major appliances, washer drums, icemakers, etc. should be securely fastened for shipment. Gas appliances need to be serviced and disconnected by your local gas utility. It is your responsibility to see that appliances are serviced for shipment before they are loaded in the van, but your relocation counselor can walk you through the process.

## 27 Can I pack clothes in a chest or dresser drawers?

Lightweight clothing including sweaters, shirts, blouses and lingerie may be left in the drawers. DO not fill the drawers with heavy items such as books, table linens or sheets, which can damage the piece of furniture during transit. Be careful NOT to leave fragile items, money, jewelry, watches or other valuables in the drawers, as well as anything that might leak.

## 28 Can I move jewelry and other valuables?

Items of extraordinary value such as jewelry, money, antiques and stamp collections can be included in your shipment, provided that you notify us of these items before packing or moving day. However, we strongly recommend that you carry irreplaceable and expensive articles with you or make other arrangements for their move.

## 29 What is a delivery window?

Most movers will give a range of days within which the household goods will be delivered. This delivery window is so that the driver can assist other families going to and from the same areas. Drivers do this because they need to fill their van to maximize efficiency and revenue. In turn, this allows us to give you better pricing because you are, essentially, sharing the space. You may, however, decide you only want your belongings on the truck. In this case, you will have to pay a fee to make up for the difference.



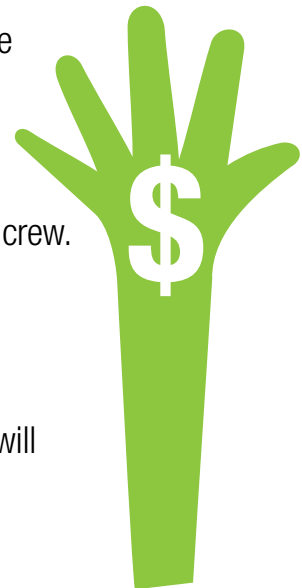
## Why can't I pick a specific delivery date within the window I am given?

You cannot pick a specific delivery date because the driver has other shipments in his truck. To be efficient, he will schedule his deliveries in order based on the route from origin to destination.

## Should I tip the movers?

It is customary to tip movers for a job well done, but it is not required. You should always tip what you can afford and what you feel is appropriate for the service you received. If you do want to tip and you don't know where to start, we usually suggest \$20-25/person in the moving crew.

If you want to tip more than that because your move was particularly difficult or you really like your movers, please do so. If you don't have the extra cash to tip, then that is ok, too. If your crew has gone above and beyond and you have a long day of moving, treating to lunch (pizza, subs) is always appreciated. Also, it's nice to provide water, soda and/or Gatorade (especially in the hot summer months!). The consideration will go a long way with the moving crew.



## Is the crew the same at destination?

Crews are regionally based and do not follow drivers to the destination. For this reason, you will have a new, local crew at your destination.

## What is valuation coverage?

You will automatically receive valuation coverage of .60/lb on your items. You can further protect your belongings by purchasing additional valuation coverage. In the case of an employer sponsored relocation, this coverage may already be covered for you so do be sure to ask your relocation counselor.

The valuation option you choose determines the basis upon which any claim will be adjusted and establishes maximum liability of the mover. The liability of a carrier for loss or damage is based upon the carrier's tariffs, as well as federal laws and regulations, and has certain limitations and exclusions. Valuation is not insurance; it is simply a tariff-based level of motor carrier liability. If you desire protection afforded by an insurance policy, you should talk with your insurance company representative about available coverage.

All articles of "extraordinary value" (items having a value of more than \$100/pound) in your shipment must be listed on the High-Value inventory form, which will be given to you by your mover. Articles of extraordinary value might include jewelry, furs, art, coin collections and silverware. In the event of a claim, any settlement regarding an article of extraordinary value listed on the High-Value inventory form is limited to the value of the article, not to exceed the declared value of the shipment, based upon the valuation program applicable to your shipment. If such an article is not listed on the form, the carrier's liability is limited to \$100/pound per article. Shipments, which move with a released rate of liability of 60 cents/pound per article, are excluded from this High-Value inventory provision.



## How can I maximize the protection for my belongings?

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You can pay for full value protection. If your employer is sponsoring your move, however, this may already be covered for you. Under this plan, if your articles are lost or damaged when in our care, they will be repaired, replaced with like items, or a cash settlement will be made for the current market replacement value, regardless of the age of the item.

Full value protection and deductible options are available in dollar increments to fit your needs at very attractive rates. Our total liability for loss or damage will be the amount you declare as the value of your shipment. However, the minimum total declared value must be at least equal to the weight of your shipment multiplied by \$6.

## What do I do if something is missing or damaged?

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If you get to your destination and you notice that an item marked on the inventory form is missing or damaged, then you can file a claim with the moving company. As a condition to recover a claim for loss, damage, or delay with the van lines, it must be submitted within (9) nine months from the date of delivery. A customer can request a claim form to be mailed and submitted in writing or electronically through the Internet.





## **What drives the cost of storage?**

Storage costs vary by company but, for the most part, they are determined by your load's weight and the number of days you have in storage. Refrigerated storage or other special needs will also increase cost.

## **Can I access my goods once they are in storage?**

This depends on what kind of storage facility you are using. If you are using a self-storage facility, yes. If you are moving with a major van line and using their storage facilities, your goods may not be as accessible. In this case, you can make arrangements to access your goods but you will be charged a significant fee every time.



# Relocation Tax Questions

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## What is a gross up?

You are required to pay withholding and payroll taxes for all reimbursements that are not deductible moving expenses. Because these reimbursements are considered taxable income, this will cause you to pay more in income taxes. Most companies will help alleviate the tax burden to some extent by paying a portion or possibly all of these taxes on your behalf. Since this tax payment is also taxable income to you, the company will “gross up” this payment to help cover the additional tax liability. In other words, you will be paid a larger gross amount so that the net benefit, after taxes, will approximate the moving expenses. The gross up calculation is complicated in that each tax payment on your behalf is taxable income. Therefore, since the company is paying the tax on the tax, and the tax on that tax, and the tax on that tax, and so on, the gross amount of the payment is considerably higher in order for the amount you receive to be the amount of your actual expense after the company pays all or a portion of the taxes on your behalf.

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## What's the difference between grossing up and making whole?

Grossing up is adding enough additional dollars to an expense to cover the taxes on that payment so that the transferee is not absorbing the full tax burden. Making whole is covering ALL of the tax burden. Most companies only gross up at the supplemental rate for federal. Where “making whole” gets sticky is when the additional “relocation income,” pushes you, the transferee, into an income bracket where you no longer qualify for certain deductions. If a company truly wants to make you whole, they will reimburse you for these lost deductions as well. Best practice suggests, however, that companies stay away from the use of “making whole” and indicate that they will tax assist and which method they will use for federal – at the actual rate or the supplemental rate – along with the other taxes they will pay – ie FICA (which is OASDI and Medicare), state tax, local taxes.

The “gross up” is the amount of additional dollars paid by company on behalf of you to the various tax jurisdictions to cover the amount of tax burden that a company is willing to cover.

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## Which benefits are tax deductible?

The shipment of your household goods and the travel to your final destination is tax deductible. Any other relocation expenses that your employer reimburses or pays on your behalf must be included in your gross income. That payment or reimbursement is subject to withholding and employment taxes.

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## How do I reconcile my taxes at the end of the year?

How your move is treated from a tax perspective should be made clear by your employer and will be evident in your W2. There are two options for the tax treatment of employer reimbursements for household goods shipment and travel to the new location. For qualified moves, the employer may include such reimbursements in your income. In this case, be sure to keep your receipts so that you can declare the deductions come tax time. The other option is that your employer will exclude these reimbursements from your income, which will eliminate the need for you to take a tax deduction for them. It should be noted that the elimination of the tax deduction in the second option is not penalizing. Since the expenses are not included in income, you are not paying taxes on them.

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## Will my tax assistance take my spouse's income into consideration?

No. Your tax assistance is only based on what your employer pays you.





# International Relocation Questions

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## Why does an air shipment take 14-21 days when it only takes me a day to get to the destination?

Once an air shipment is packed and loaded and taken to the warehouse, it must be packed in the appropriate size air container and the shipment information must be added to the air container. If the shipment is leaving the U.S., the inventory is sent to the customs office for clearance to be moved. Once approval is received, airline flight arrangements are made. These steps alone can take up to 10 days.

Once the shipment arrives at the destination, it must go through a customs clearance again. It is then picked up by a trucking company and taken to the destination mover's warehouse. Delivery can then be scheduled at the convenience of the customer. This total process takes 14-21 days.



## How long does it take to ship items by sea?

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Sea shipment timing varies. Door to door transit times range approximately from 25-65 days, depending on the origin and destination. For example, a shipment moving from China to Japan may take 25 days, whereas a shipment moving from Hong Kong to Los Angeles, CA may take 65. Sea shipments follow the the same process as an air shipment. Items are packed and loaded and cleared through customs at origin. Once cleared, they are trucked to port to be put on a vessel. Once they arrive at the destination port, they are subject to customs clearance. Once clear, they are taken to a destination warehouse and then a delivery date is confirmed with the customer.

## Why can't you estimate the international bank fees and just add them to the invoice?

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Bank fees are calculated differently for each bank. Some have flat fees, while others calculate a percentage of the amount. Since the amount is unknown until the deposit is made, it would be impossible to estimate the total. If bank fees are deducted, you can file for reimbursement of the shortage. If it is an allowance that is the same each month or year after, we can add that amount to the future deposits.



## 46 Do all international schools require face to face interviews?

No, only certain schools require face to face interviews. You will want to discuss any concerns you have with your relocation counselor and point person at destination. From there, you will be presented with schooling options and informed of the admission/enrollment process.

## 47 When there is a sizeable currency fluctuation, will my goods and services allowance automatically be adjusted?

The key word here is “sizeable.” If the fluctuation is extreme, it could be adjusted. In most cases, however, goods and services allowances are reviewed two times a year. If you feel that the fluctuation is particularly extreme, you can request an exception. The decision will be left up to your employer.

## 48 Can my pet come abroad with me?

In most cases your pet can go abroad with you! Every country has different laws and regulations, so there will be some research involved. Make sure you speak to the vet to find out if your pet will require any additional shots or paperwork - and then find an airline that can accommodate your pet. It's important to read customer reviews on each airline as well to see how other pets were treated and how they held up during the flight.

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## Can I ship my car, too?

**If the auto can be exported or imported without too much difficulty then, yes, go for it!  
The paperwork shuffle can always be navigated if you have the time and patience.**

### **If the auto is moving from the USA:**

1. Check the customs regulations for the destination country to make sure that the automobile can be imported at all, and what the estimated customs duty, taxes and importation fees will be. Some countries even specify that the auto cannot be older than a certain number of years.
2. For US Export Controls, the auto must be owned by the customer (not by the bank or finance company). A clear title, free and clear of any liens must be surrendered to US Customs for export review.
3. The customer should check to make sure that the auto can be serviced in the destination country. In some cases, there is no existing dealership network so that arranging for repairs or obtaining spare parts could be difficult.
4. Prepare for the cost to ship. The steamship line service varies from country to country. Autos can be shipped on roll on/ roll off vessels (usually least expensive) or in containers (more expensive) depending on what service is available.
5. Some auto manufacturers offer “overseas delivery” plans whereby autos can be purchased in the USA, but the customer can take delivery from a dealership in the destination country. This might be a viable alternative for someone going overseas on a long term assignment.

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## Continued

### **If the auto is moving from overseas to the USA:**

1. If the auto was originally exported from the USA, proof of export will allow the auto to be imported as a US Vehicle returning.
2. If the auto was purchased overseas, the customer must obtain a Certificate or Letter of Compliance for the US Market from his or her dealership. US Customs, EPA and DOT will not even consider reviewing the auto for import without this letter.
3. Conversion costs can be prohibitive if the auto requires extensive modification in order to bring it in compliance with US EPA and DOT environmental and safety regulations.
4. Again, some auto manufacturers offer “overseas delivery” plans whereby autos can be purchased in one country, but the customer can take delivery from a dealership in the USA.



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## What does it mean to localize to a new country?

Localizing to a new country generally means that the assignee becomes a permanent resident of the country. For the most part, this means that your assignment benefits will end and you will start to be paid by the host country. Compensation, medical benefits, retirement plan and taxes will all be delivered to you based on local norms.

Employers are using localization today more than ever because of perceived cost savings, but it's really up to you whether or not you want to make such a drastic move. If you are considering localization, ask yourself if you plan to return to your home country. The answer will impact your participation in benefit plans, as well as retirement and estate planning and home ownership. It is ONLY an option for those employees who do not plan to return to the home country.

*\*Disclaimer: The information regarding relocation tax issues does not constitute legal advice or tax advice. Individual situations vary and tax regulations changes regularly. Please consult further with your tax advisor.*

