



Relocation & Global HR Solutions

***EMPLOYEE RELOCATION:
FROM ISRAEL TO MOSCOW, RUSSIA***
RELOCATION BENEFITS AND TERMS SURVEY



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Relocation Package: Terms and Benefits

General

- The following findings refer to relocation benefits and practices for expatriates in East Europe in general and in Russia specifically.
- The findings are based on a survey conducted by ORI among Israeli and global companies relocating expatriates to East Europe.
- Our recommendations are based on the relevant market practices, ORI's experience and know-how and the relevant legal requirements.

Employment Status

- 70% of Israeli companies are moving expatriates to the local payroll on relocation to Russia.
- 25% of Israeli companies are keeping the expatriates on the Israeli payroll.
- Only 5% of Israeli companies are putting expatriates on a Leave of Absence status in the Israeli company when they are moving them to the Russian payroll. 95% of the companies terminate the employment of the expatriate in such a case.

Term of Assignment

- 71% relocate employees for 2 to 3 years with an unlimited extension option.
- 9% relocate employees for 1 to 5 years.
- 11% relocate employees for 3 years with no extension option.
- In 9% of the companies assignment periods are determined individually.

Termination of Assignment

- 41% of the companies provide a notice term of 3 months.
- 14% of the companies provide a notice term of 2 months.
- In 11% of the companies the notice term vary according to assignment length.
- In 19% of the companies, the notice term vary between 3-6 months according to the seniority of the expat.
- 5% of the companies determine notice terms individually.
- 10% of the companies set no notice terms at all.

Severance Payments

- 77% of companies provide some form of severance payments but only 22% of companies have formal severance plans.



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Pre-departure visit

- 69% of the companies cover a pre-departure visit to the employee + spouse.
- 24% of the companies cover a pre-departure visit just to the employee.
- The average cost of a pre-departure visit to an employee + spouse is \$2,760.

Special Vacation

- 40% of the companies provide a special vacation of one to two weeks for the moving and settling-in period.
- 60% of the companies do not provide such a vacation and deal with it informally.

Temporary housing

- 88% of the companies provide a hotel allowance for 1 to 3 weeks.
- The average value of annual hotel allowance is \$3,780.

Rental car

- 84% of the companies provide a rented car for 1 to 4 weeks.
- The average cost of a rented car allowance is \$2,420.

Cargo Shipment

- 92% of the companies cover an un-attended air cargo shipment of 200 kg to 900 kg and a sea cargo of 7 CM to 40 CM when the employee relocates abroad and a sea cargo of 20 CM to 40 CM on the way back.
- The average value of the cargo shipment for a single assignee is \$7,620, married assignee \$10,900 and married assignee + 2 15,220.

Settling-in Allowance

- 67% of the companies provide a settling-in allowance covering all general relocation costs (hotel, car rental, etc.)
- 17% of the companies cover some of the general costs (hotel, car rental) and provide a settling-in allowance
- The average amount of a settling-in allowance for a single assignee is \$3,800 married assignee \$6,200 and married assignee + 2 \$8,850.

Tax Consulting

- 86% of the companies cover the tax consulting costs before the assignment.
- The average cost of tax consulting is \$750.

Education Allowance

- 83% of the companies provide an education allowance covering all of the tuition fees costs.
- 12% of the companies provide an education allowance covering part of the tuition fees costs.
- 5% of the companies include a partial education allowance in the employee base salary.



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Accommodation Allowance

- 67% of the companies provide an accommodation allowance covering all of the accommodation lease costs.
- 12% of the companies provide an accommodation allowance covering part of the accommodation lease costs.
- 5% of the companies include a partial accommodation allowance in the employee base salary.

Real estate broker costs

- 67% of the companies cover the real estate commission up 12% of the annual accommodation lease.

Utilities Cost

- 13% of the companies pay for all utilities cost.
- 7% of the companies pay part of the utilities cost.
- The average annual cost of the benefit is \$1,970.

Company Car/Car Allowance

- 66% of the companies provide a company car for the relevant level of position
- 12% of the companies provide a car allowance covering part of car costs.

Car Loan/Grant

- 3% of the companies provide a grant for a car purchase.
- 21% of the companies provide a loan for a car purchase. In 69% of those companies the loan is being converted to a grant after two to three years.
- The average amount of the loan/grant is \$14,800.

Medical Insurance

- 91% of the companies provide an international medical insurance to expatriates.

Managerial Insurance (Bituch Menahalim) (in case the employee is transferred to the Russian payroll)

- 94% of the companies terminate all contributions to the Managerial Insurance plan.
- 4% of the companies continue all employer contributions.
- 2% of the companies continue only the “risk” elements (life and long-term disability insurance).

Annual vacation

- 77% of the companies provide the annual vacation package of the Russian company.
- 23% of the companies provide the annual vacation package of the Israeli company.



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Holidays

- 70% of the companies provide the Russian holidays.
- 12% of the companies provide the Russian holidays + Yom Kippur.
- 12% of the companies provide the Russian holidays + all Jewish holidays.
- 6% of the companies provide the Israeli holidays.

Home Leave

- 48% of the companies finance a home leave annually
- 21% of the companies finance a home leave annually from the 2nd year of assignment.
- 13% of the companies finance a home leave once every two years.
- 14% provide home leave in varied frequencies per position/destination
- 45% of the companies provide just the flight costs to all of the family while 55% of the companies cover additional costs (Vacation time, hotel, car rental, per-diem).

Repatriation

- All companies finance flights back to Israel
- 95% finance the shipment back to Israel of personal belonging.
- 70% of the companies provide a repatriation allowance covering general repatriation costs (hotel, car rental, etc.). The average amount of the repatriation allowance for a single assignee is \$2,200, married assignee \$3,400 and married assignee + 2 \$4,800.