



# Global Mobility Services

## KPMG LLP survey on COVID-19 – Implications for globally mobile employees

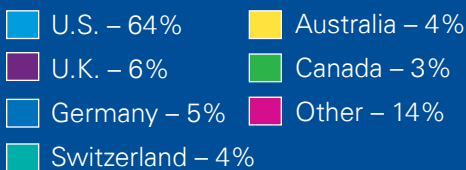
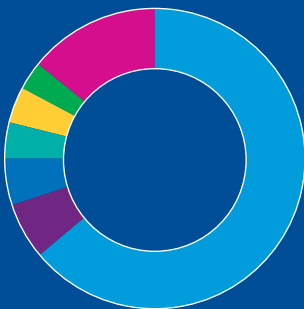
April 17, 2020

### Executive summary

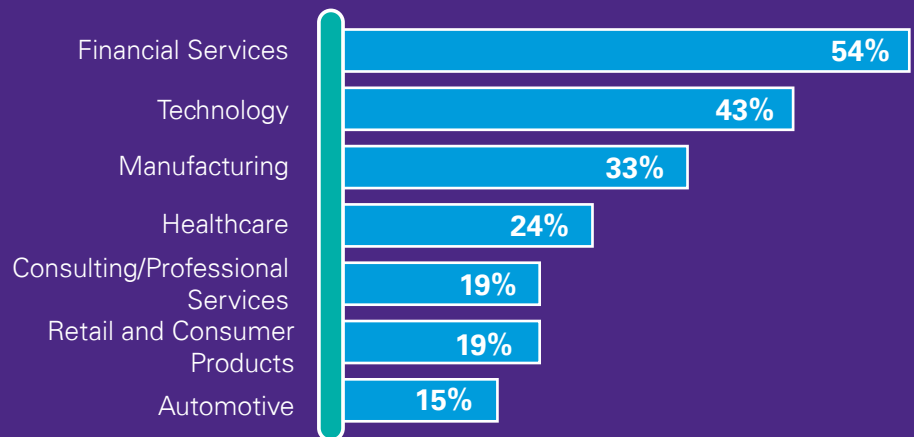
KPMG recently polled nearly 250 global professionals in human resources, global mobility, tax, immigration and relocation regarding the impact of the global COVID-19 situation on their organization's global mobility programs. Respondents represented over 24 different industries globally. The majority of respondents were at the managerial level.

Their responses reflect their organization's initial responses to supporting employees currently working abroad on international assignments, including those employees who are remaining in their host country locations and those who have returned—either temporarily or permanently—to their home countries.

### Leading countries by headquarters location



### Top industries (by number of organizations)



\* Several respondents are multi-industry. Does not equal 100%

## Key findings

Overarching theme is that organizations are focusing on their employees first.



For assignees repatriated temporarily to the home country, one-third continue to receive all on-assignment allowances and close to one-quarter continue to receive some allowances, with the majority continuing housing and international schooling allowances.



Nearly three-quarters of participating organizations confirmed that they have no plans to repatriate international assignees at this time.

For temporarily suspended assignments, most are discontinuing COLA/G&S differential allowances, with the majority covering temporary living costs in the home country as needed.



Nearly all organizations have cited that they have provided flexibility and guidance to assignees to make their best informed decision to remain in the host country location or repatriate home.

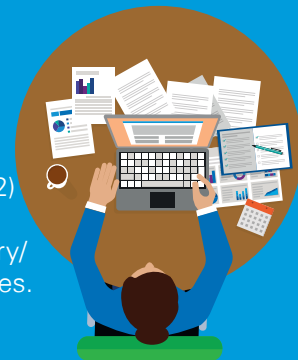


Just over one-half report that prospective assignments and transfers in 2020 have been put on hold temporarily, with over one-third reporting that some have been canceled and others are on hold pending future outcome of the COVID-19 situation.

Assignees remaining in their host country are being directed to follow local country mandates including stay-at/work-from-home and self-quarantining as needed.

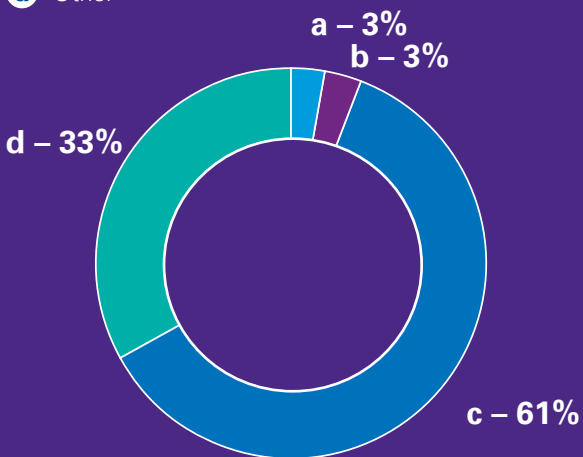


The top three global situation-related data sources being consulted for future employee mobility decision making include (1) World Health Organization, (2) Centers for Disease Control (CDC) (U.S.A.), and (3) country/federal-level country advisories.



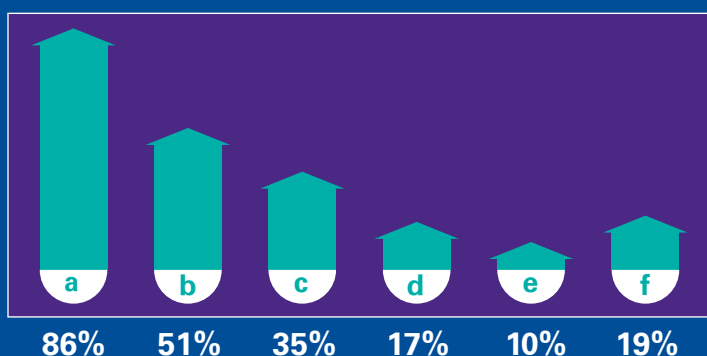
### 1 Has your organization decided to repatriate all globally mobile employees and their families (as applicable) from their host country assignment locations?

- a** Yes, all of our globally mobile employees and those with accompanying families are in process or have been repatriated to date from all assignment locations globally per company mandate.
- b** Yes, but only mobile employees with accompanying families are in process or have been repatriated to date from all globally affected locations.
- c** No plans to repatriate at this time—we are directing employees to follow country/local government guidelines and orders.
- d** Other

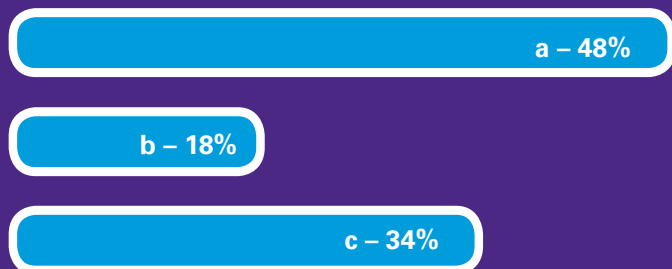


### 2 For those mobile employees and accompanying family members (as applicable) who are being repatriated, which expenses are being reimbursed? (Select all that apply)

- a** Airfare
- b** Temporary accommodations
- c** Local transportation (car rental/public transportation)
- d** Meals and incidentals (M&I)
- e** Per diem
- f** Other



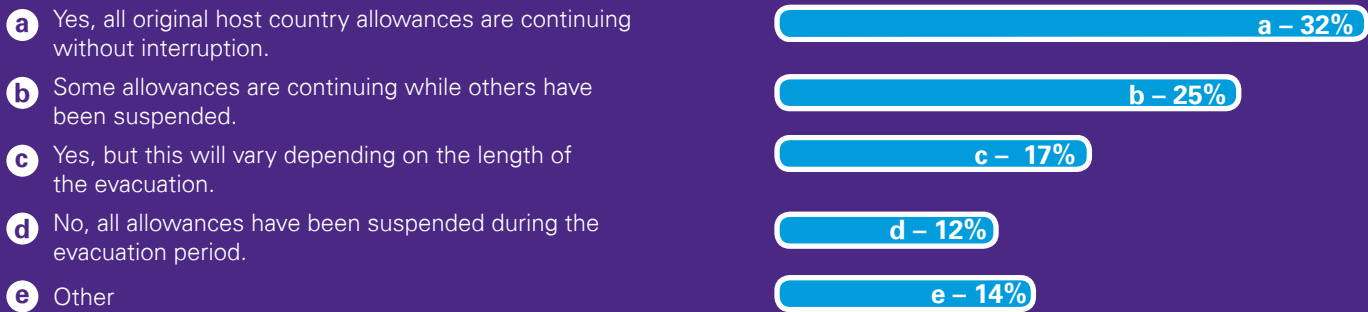
### 3 For those mobile employees who have been repatriated to their home country, what is the status of their assignments?



- a** The original intent of the assignment continues, but has been temporarily suspended awaiting additional outcomes of the situation.
- b** The assignment has been terminated.
- c** Other

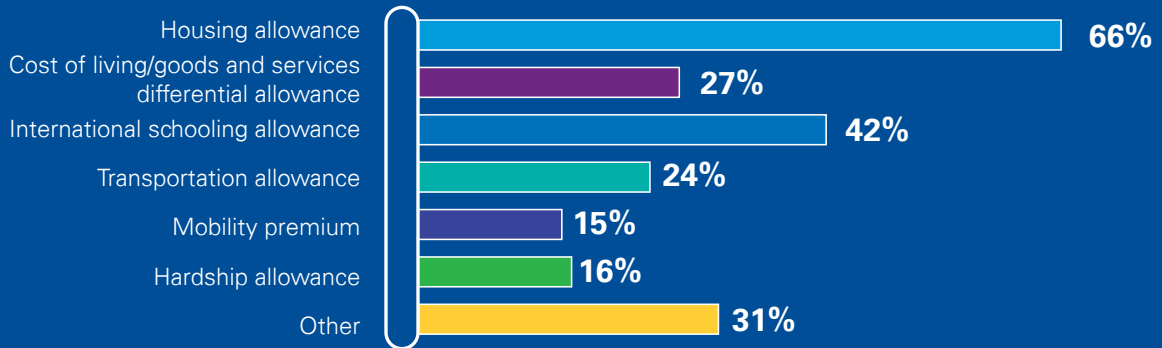
**4**

**For those mobile employees and accompanying family members who have been temporarily repatriated, will assignment-related allowances continue during the temporary period?**



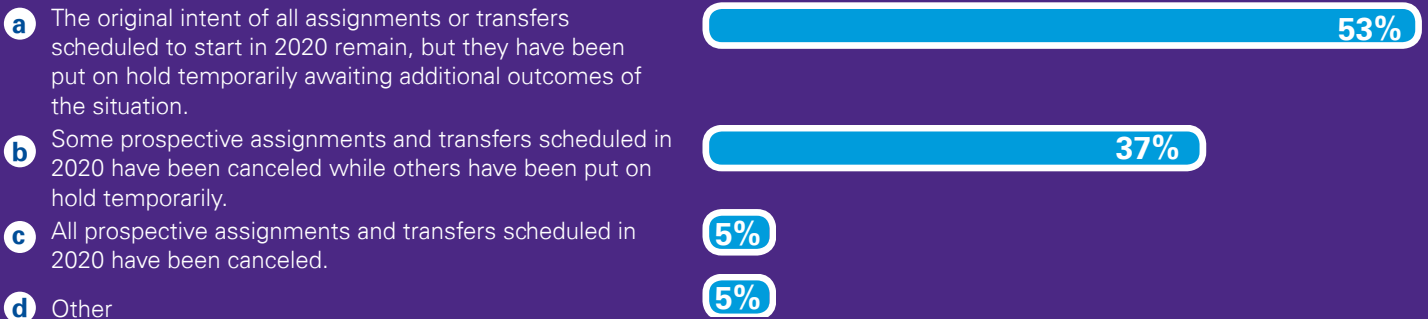
**5**

**If only certain on-assignment allowances are continuing to be paid during the temporary repatriation period, which of the following allowances are continuing? (Select all that apply)**



**6**

**How has your organization responded to prospective international assignments or transfers in 2020 that have been in process prior to the COVID-19 situation?**

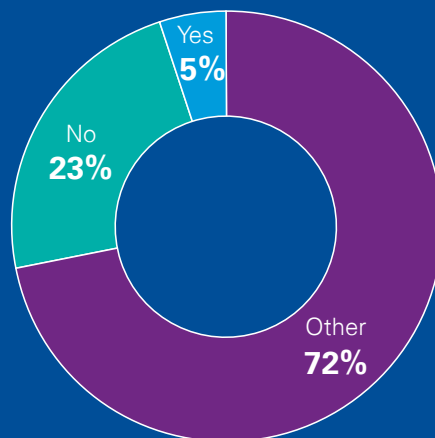


**7** For those mobile employees who have been repatriated and have had their assignment temporarily suspended, which key information sources are you consulting to assist in determining when mobile employees may return to their host country location? (Select all that apply)

- a** Centers for Disease Control and Prevention (U.S.A.)
- b** World Health Organization
- c** EU Health Commissioner
- d** Country/federal government advisories
- e** International safety/evacuation organizations (e.g., International SOS)
- f** Other



**8** For mobile employees who are employed in the United States, are you providing any payments to mobile employees that are considered qualified disaster relief payments under U.S. Internal Revenue Code (I.R.C.) 139[1]?



On March 13, 2020, the president declared a national emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act for the COVID-19 situation. This action will free up federal resources to combat the disease in the United States. This declaration also triggers the provisions of Internal Revenue Code Section 139, which addresses qualified disaster relief payments.

**Assignment policy—current considerations for assignees abroad**

**Review hardship/location allowances.** Most data services providers are currently reviewing suggested allowances for highly impacted countries. The location allowance / percentage of annual base compensation recommendations for most country locations has increased by 5 percent.

**Temporary COVID-19 hardship allowances**

Organizations may wish to consider paying an additional, temporary allowance related to the challenges of living in countries with higher infection rates and resulting restrictions to daily living. Payment of the allowance is tied to country locations rated under a high-, medium-, and no-risk scale.

**Currency exchange impacts**

As a result of the situation, there have been noticeable changes in currency exchange rates, in particular the USD – as it has been strengthening against many other currencies (Germany/EUR, Australia, and Brazil, among others).

- KPMG recommends organizations continue to monitor impacts to cost-of-living/goods and services differential allowances, in particular for U.S. inbound international assignees.
- Organizations should continue to monitor the market situation to determine timing for implementing adjustments with consideration for possible negative impacts to assignees.
- Given the current volatility within the market, currency fluctuations may be temporary versus long-term in nature as country infection rates are predicted to begin to peak in April and May.



## Looking ahead—actions to consider

While most organizations continue to wait and see how the current situation will affect their secondary steps and future mobility planning for 2020, below are a few key areas of focus that organizations may wish to consider for their mobility programs over the coming weeks and months.



Maintain proactive outreach with updates and real-time information to employees who have remained in country and those who have returned to their home countries with temporarily suspended assignments.



Stay connected to your tax and immigration services partners for specific guidance around new country legislation and impacts on current international assignees.

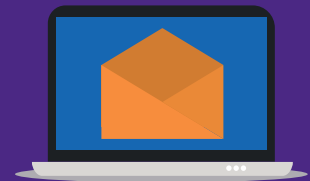


Continue to proactively monitor business continuity with key internal operational and business stakeholders and external vendor ecosystem partners.

Consider your communication channels available (e.g., mobility portal, email, document repository, etc.) and ensure regular updates.



Encourage vendors to reach out to employees, if appropriate, with information to enhance employee knowledge and experience.



## Related content

For additional guidance, please consult KPMG's [COVID-19: Preparing for the Future](#) series. The series of articles is designed to help organizations emerge stronger from the COVID-19 situation by evaluating and revolutionizing their mobility program to adapt to the changing business world. The second article in the series focuses on creating a sense of comfort in an environment of uncertainty. It also provides a business continuity checklist for mobility programs.

# Contact us

To learn more about this topic or KPMG's Global Mobility Services, please contact:

## **Bob Mischler**

**Principal, National Service Line Leader  
Global Mobility Services, KPMG LLP**

**T:** 212-872-3174

**E:** [rmischler@kpmg.com](mailto:rmischler@kpmg.com)

## **Achim Mossmann**

**Principal, Global Mobility Services,  
KPMG LLP, and Global Head of  
Outsourcing, KPMG International**

**T:** 212-954-6812

**E:** [amosmann@kpmg.com](mailto:amosmann@kpmg.com)

## **Websites**

- [Global Mobility Services](#)
- [Insights in Global Mobility](#)

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