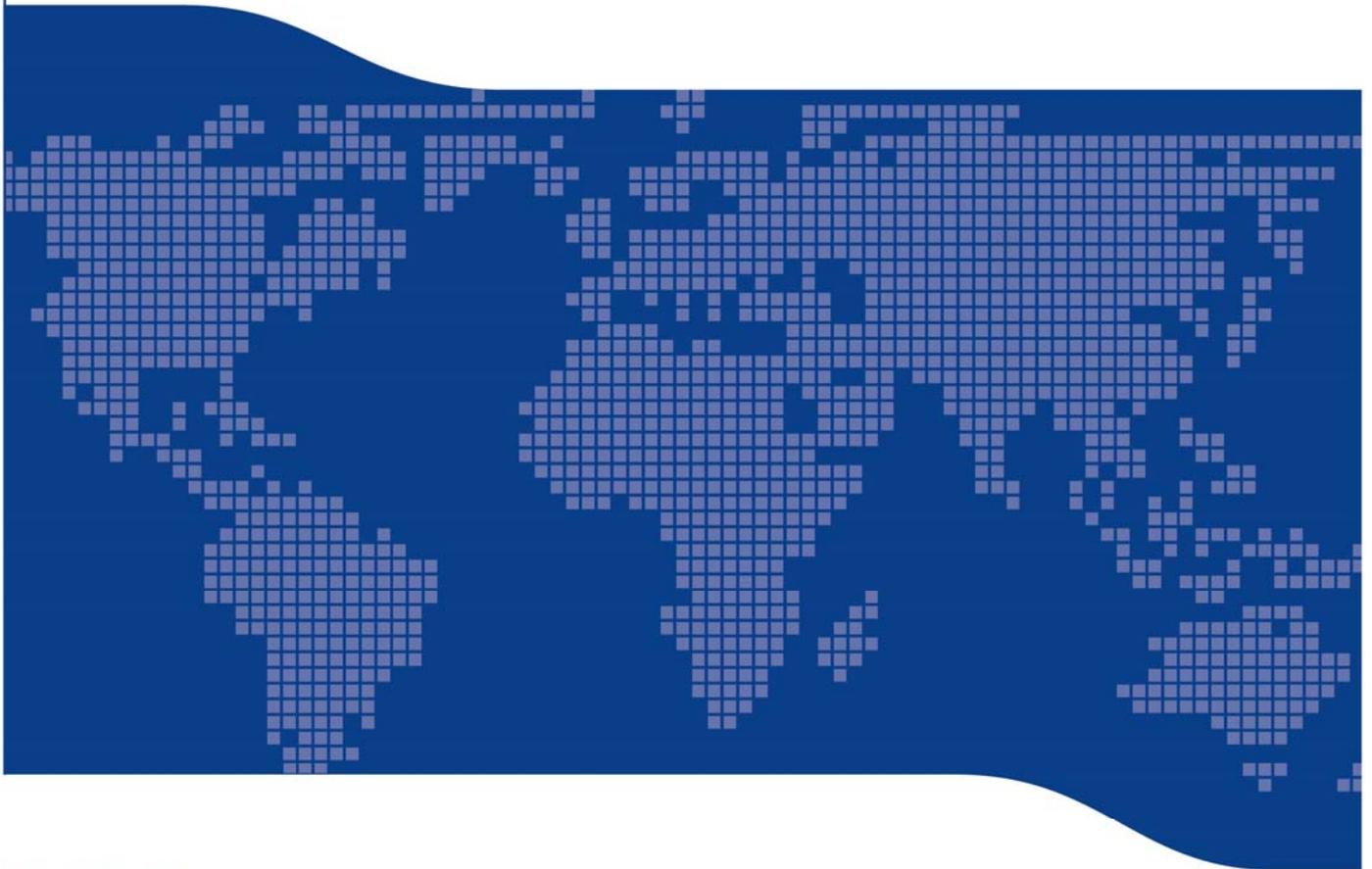




2008 Survey Report:

Local-Plus Packages in Hong Kong & Singapore



 **ORC** WORLDWIDE®

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Introduction

The use of a 'local-plus' approach to compensating expatriates is becoming an increasingly popular option, especially for locations such as Hong Kong and Singapore. A "local-plus" remuneration approach is defined as one in which expatriate employees are paid according to the salary levels, salary structure, and salary administration guidelines of the host location, plus provided 'expatriate-type' benefits such as transportation, housing, dependents' education, etc. in recognition of the employee's unique status. This survey was conducted with the intention of gaining a clearer understanding of the most common elements that are being included in local-plus packages for expatriates in these two popular cities.

ORC invited forty-five multinational companies to participate in this survey of local-plus packages for expatriate employees in Singapore and Hong Kong, over eighty-four percent of whom participated.

This fifteen question survey contains responses from thirty-eight companies, thirty-six of which have operations in Singapore and thirty-two of which have operations in Hong Kong.

Terminology

In the data tables that display survey results, the term "N" refers to the number of respondents that answered each question. Because every question does not pertain to every company, the "N" varies from question to question. All the percentages are rounded off to the nearest integer, so the total for each question may not equal 100 percent.

The term "Assignee" is used in this report to describe an expatriate who is assigned to Singapore or Hong Kong from an overseas location (either the employee's home country, the country of the company's Headquarters, or some other country).

The term "Direct or Locally-Hired Employee" is used to describe an expatriate who has either been hired locally in Singapore or Hong Kong, or hired from overseas but directly for employment in Singapore or Hong Kong rather than being transferred by an existing overseas employer.

The Term "Expatriate" is used in the broadest sense, to encompass all foreign employees working in Hong Kong or Singapore, regardless of whether they are an assignee or direct or locally-hired employee.

Participating Companies

Company Name	Hong Kong Survey Participant	Singapore Survey Participant
ANZ Bank	√	√
BHP Billiton		√
Black & Veatch	√	√
BlueScope Steel	√	√
Cargill Asia Pacific Holdings Pte Limited	√	√
Chevron Holdings Inc.	√	√
Covidien	√	√
Credit Suisse	√	√
DBS Bank Ltd		√
Deutsche Bank	√	√
DHL Express (S) Pte Ltd	√	√
DHL Logistics	√	√
DuPont	√	√
Federal Express Corporation	√	√
General Motors		√
Goldman Sachs	√	√
ING Asia/Pacific Ltd	√	
International Paper	√	√
Johnson & Johnson	√	√
Kraft Foods	√	√
Manulife Financial	√	√

Survey Report on Local-Plus Packages in Hong Kong & Singapore

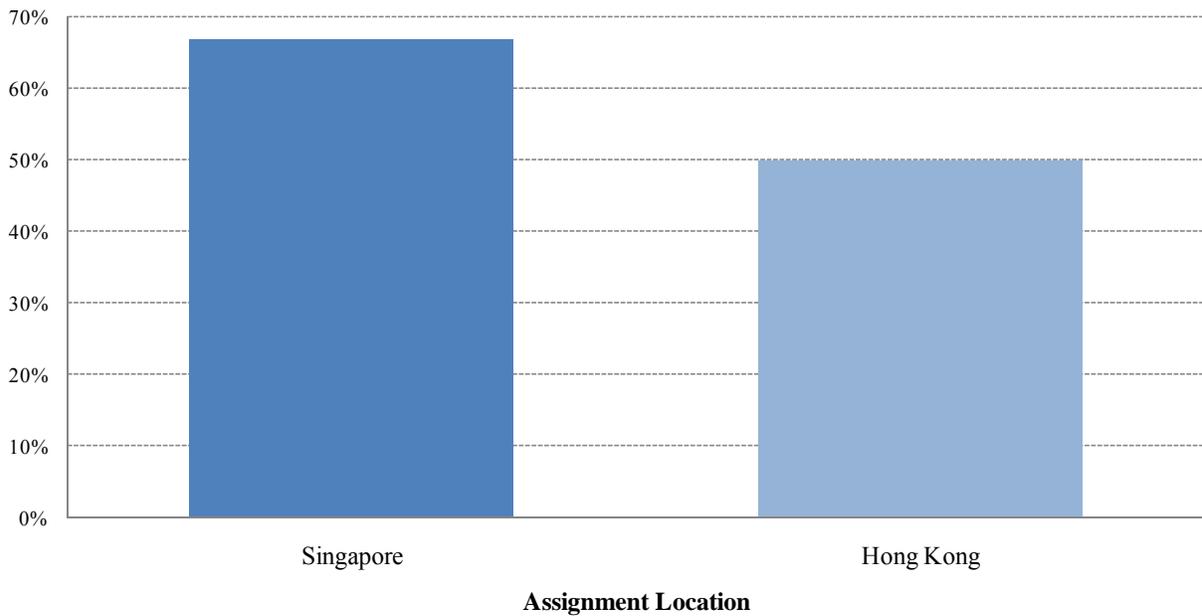
Company Name	Hong Kong Survey Participant	Singapore Survey Participant
Mars Incorporated	√	√
McDonald's	√	√
McKinsey & Company	√	√
Neptune Orient Lines Ltd.	√	√
Oracle	√	√
PepsiCo International	√	√
PETRONAS	√	√
Philips Electronics Hong Kong Limited	√	√
Reuters	√	√
SAP Asia Pte Ltd	√	√
Sony Corp.		√
Standard Chartered Bank		√
Syngenta Asia Pacific Pte. Ltd.		√
The Royal Bank of Scotland	√	√
UBS AG	√	
Visa International	√	√
Vorwerk & Co. KG	√	√
Total Participants	32	36

Executive Summary

Both Hong Kong and Singapore have lofty population growth plans in place. Singapore hopes to increase its' population from 4.6 million to 6.5 million by 2027. Hong Kong is looking to increase its population by 30% in order to grow from 7 million to 10 million residents. Both cities are interested in luring hundreds of thousands of expatriates in order to help meet these growth goals. As companies continue to employ foreign talent to work in these locations, they are looking for alternatives to the costly traditional expatriate assignment package. Thus, organizations are increasingly implementing “local” or “local plus” terms and conditions for many of their expatriate staff.

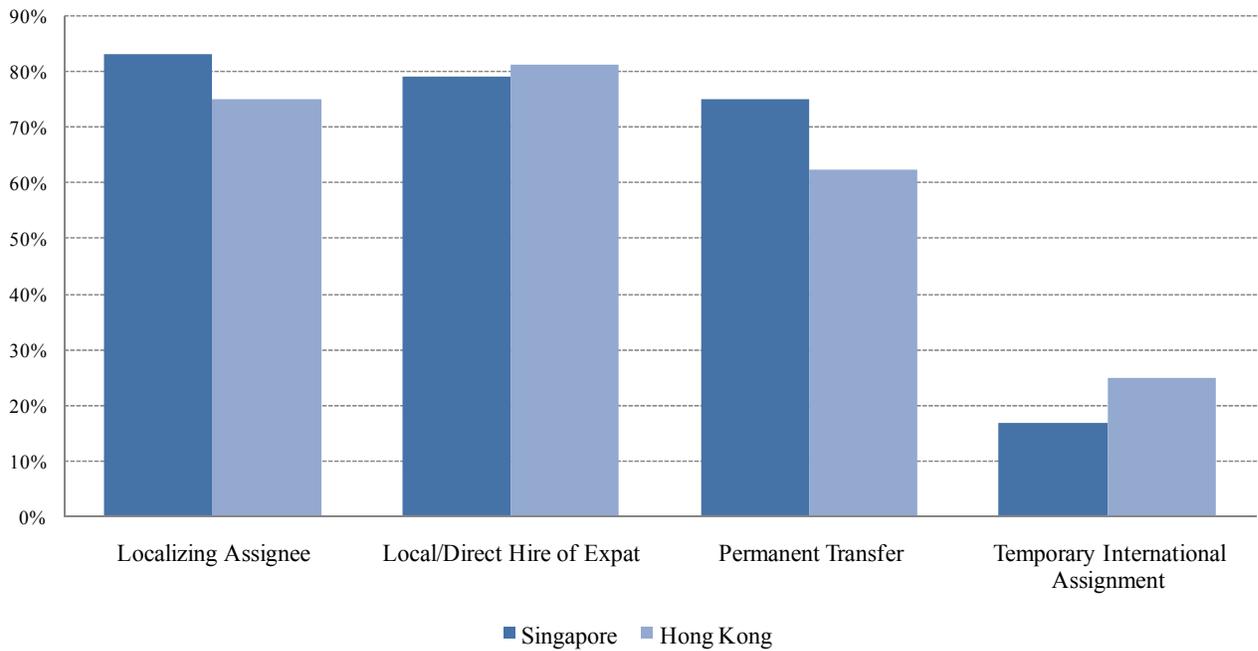
Interestingly, the use of a local-plus approach to compensating expatriates varies between Hong Kong and Singapore. Half of the companies operating in Hong Kong utilize a local-plus approach for certain situations, whereas two-thirds of the companies utilize this approach in Singapore (See Figure 1). One reason for the disparate use of the local plus approach between these two locations may be that companies operating in Hong Kong might be more likely to simply offer a pure local package to non-seconded employees, and are able to offer this option due to this location’s higher salaries and lower taxes.

Figure 1 - Percent of Companies offering Local-Plus Packages to Expatriates



When utilized, the local-plus approach is most commonly used in situations where an existing assignee remains in the assignment location permanently or indefinitely and is thus “localized”, for local/direct hiring of expatriates, and for permanent transfers. It is not commonly used for limited-term international assignments (see Figure 2). In this latter situation, our research indicates that the most prevalent approach in this situation continues to be the “balance sheet” or “home-country salary-build up” approach.

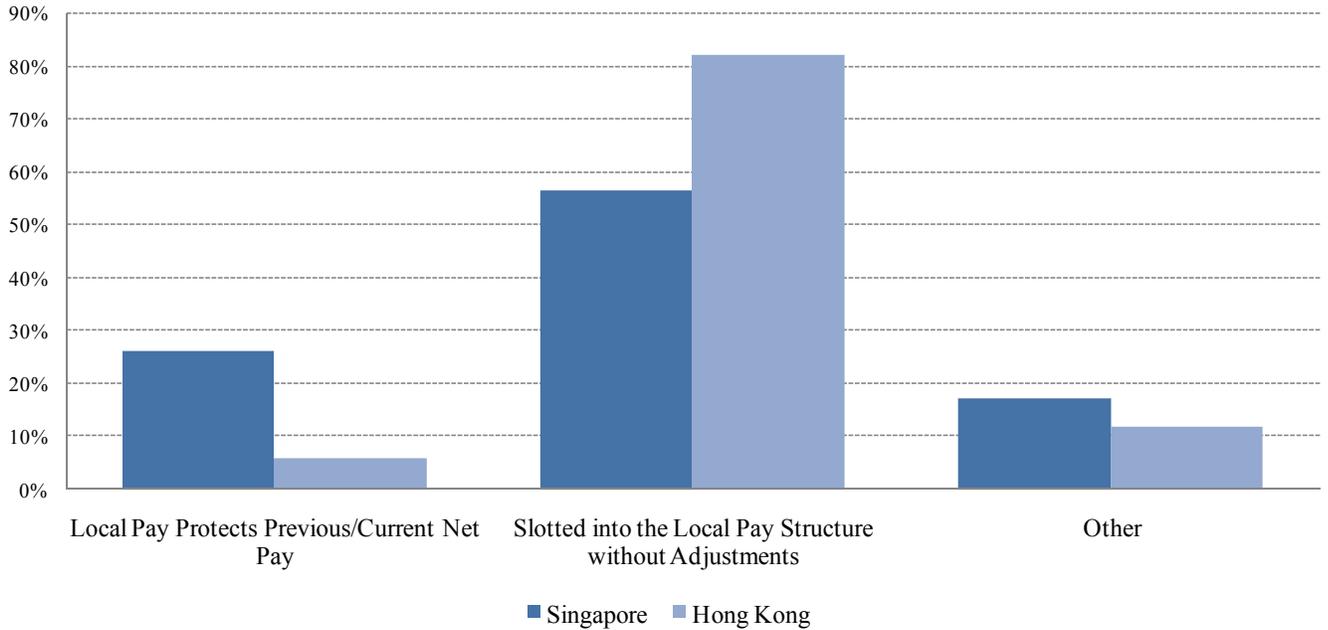
Figure 2 - When is the Local-Plus package provided in Hong Kong and Singapore?



Base Salary Determination

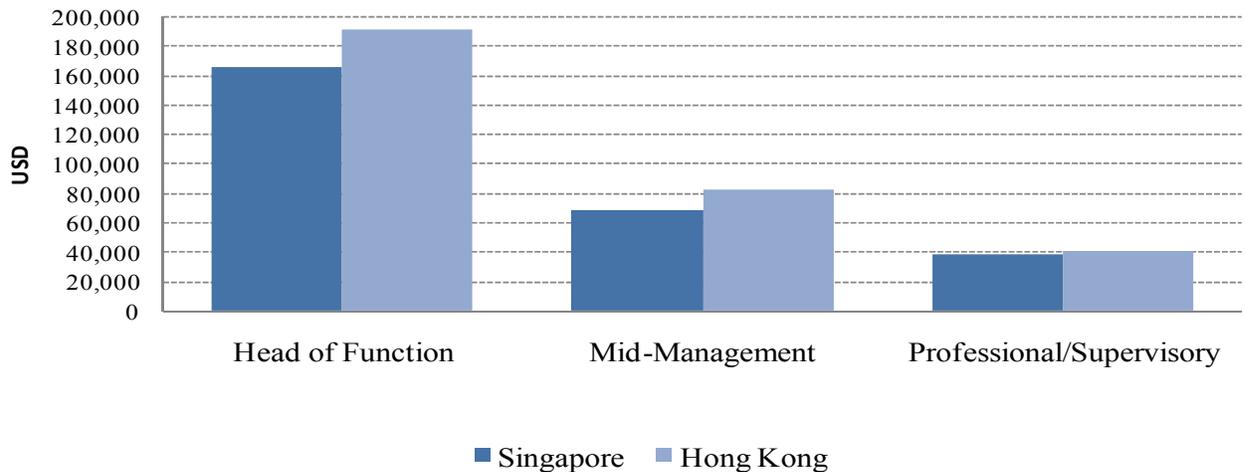
There are significant differences in the approaches being utilized for the determination of base salaries for expatriates on local-plus packages. For companies in Hong Kong, there is a higher prevalence of placing expatriates into the local pay structure without adjustments, as compared to Singapore, where the companies are more likely to protect the expatriate’s current or previous net pay (See Figure 3).

Figure 3 - Base Salary Determination



In Hong Kong, total cash compensation tends to be higher than in Singapore for comparable jobs, especially at the upper echelons. In addition, effective income tax rates are lower in Hong Kong. For example, looking at the Finance and Accounting job family, the top positions in Hong Kong receive, on average, a net income approximately 16% higher than their Singapore counterparts (See Figure 4). These factors may be the primary reason why slotting international employees directly into the local pay system is a more prevalent practice in Hong Kong as compared to Singapore.

Figure 4 - Average Annual Net Pay, Accounting/Finance Job Family
 Source: ORC Worldwide, Global Compensation Practice



Housing

The most common ‘plus’ element offered to expatriates on local-plus packages is housing assistance, with 82.4% of companies in Hong Kong and 87.5% of companies in Singapore offering some form of housing assistance. The level of housing assistance is fairly evenly mixed as to those who provide support that is intended to cover the full cost of housing and those whose intent is to provide partial support (See Figure 5). While the provision of housing assistance is fairly consistent, the nature in how the support is delivered varies. In both locations, companies most commonly provide housing support as a cash allowance in order to avoid the additional administration of company-provided housing, with the employee responsible for absorbing the less-favorable tax treatment of receiving a cash allowance rather than a benefit-in-kind. However, this practice is more prevalent in Hong Kong (See Figure 6) due to the fact that cash allowances for housing can receive the same tax concessions as if it were provided as a benefit-in-kind, if the cash allowance is structured as a “rental reimbursement”.

Although Hong Kong’s residential real estate is more than twice as expensive as Singapore’s (at an average of US\$7.19 vs. US\$3.51 per square foot as of October 2008), 78.3% of companies in Hong Kong will phase-out the housing support, as compared to Singapore’s 52.6%. The typical phase-out period is a graduated step-down in the allowance over a three-to-five year period. About three-quarters of companies in both locations offer a housing allowance/budget that is approximately 20 – 50% below the allowance/budget offered under their “full” expatriate package for limited-duration assignments.

Figure 5 - Singapore and Hong Kong Local-Plus Package Housing Assistance Practices

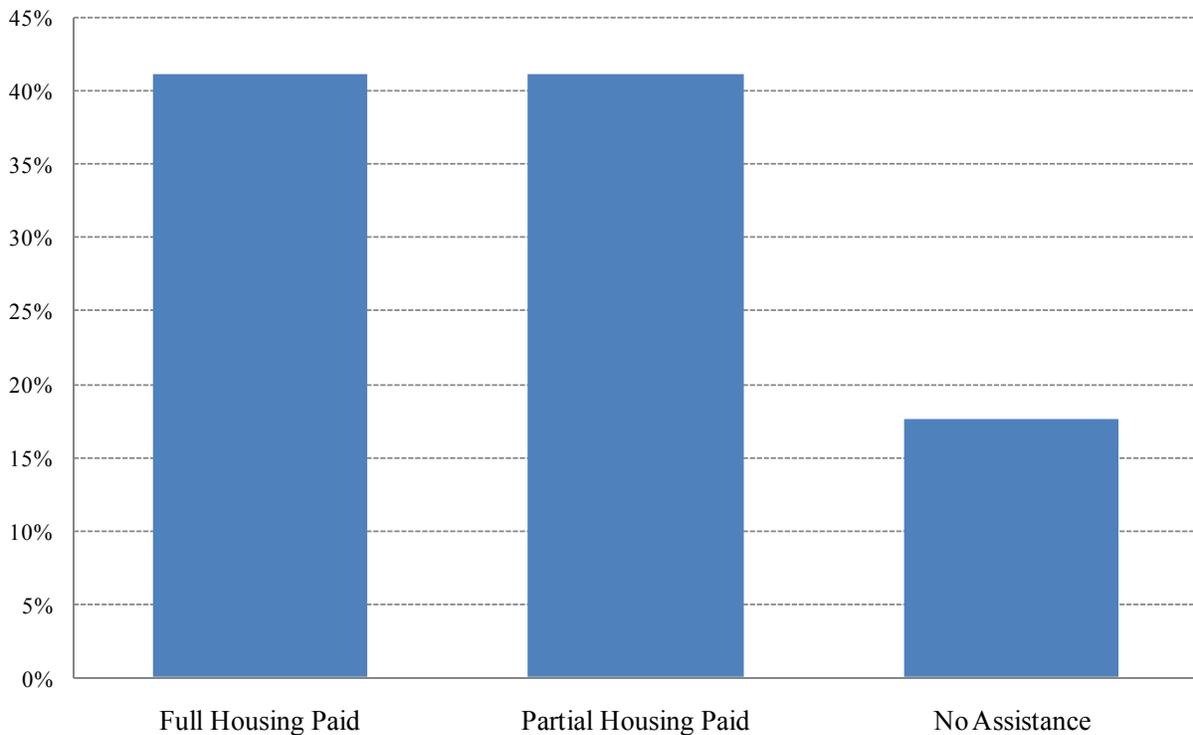
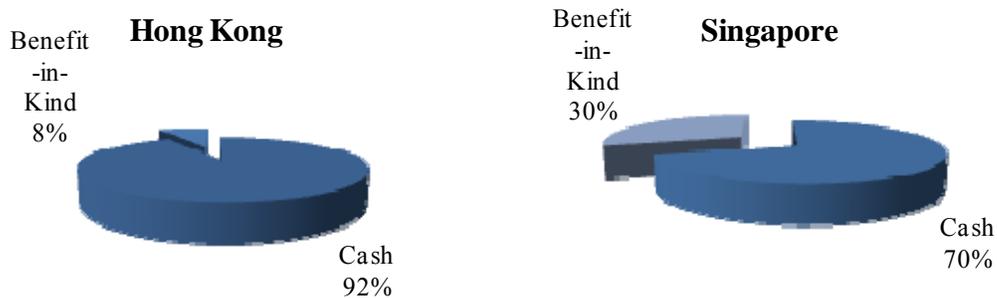


Figure 6 Local-Plus Package Housing Assistance: Benefit-in-Kind vs. Cash Allowance



Dependent Education

Practice is mixed on the next most-frequently provided ‘plus’ element: dependent education assistance. Fifty-four percent of companies in Singapore and 64.7% of companies in Hong Kong offer no contribution towards the educational expenses of expatriate children’s education costs when the employee is hired under local-plus terms and conditions.

International School fees in both locations are costly, as are the fees associated with guaranteeing placement within the most popular international schools. Perhaps because of the more permanent nature of expatriates that are hired on local-plus terms and conditions, companies are less willing to contribute towards their children’s school expenses, whereas the overwhelming majority of companies are willing to provide dependent education assistance to their international assignee population.

Tax Preparation

Tax preparation assistance is offered by just over half of the companies surveyed in Singapore, but only 29.4% of companies in Hong Kong offer this benefit to the expatriate employees on local-plus packages.

Pension Provision

One of the most often-mentioned difficulties of international transfers is the treatment of the expatriate’s pension provision. Typically, for assignees, the pension provision remains in the home or headquarters country, in order to maintain continuity for the assignee upon repatriation. Sometimes, even when an assignee becomes ‘localized’, the pension provision will be maintained elsewhere, either as an international pension plan or in the assignee’s home country.

For Hong Kong and Singapore expatriates on local-plus packages, the pension provision is most often the local government’s pension scheme, or, in the case of Singapore, cash in lieu or maintenance in the

home country pension plan for those that do not qualify for the local pension scheme (See Figure 7). Qualification in the local pension scheme is an issue in Singapore, as the Central Provident Fund (CPF) limits mandatory participation to foreigners with Singapore Permanent Residence (PR) status, whereas the Hong Kong Mandatory Provident Fund (MPF) is open to all foreigners working in Hong Kong.

In Hong Kong, there is a higher incidence of companies providing a company-sponsored pension plan for local-plus employees. This is most likely because a higher percentage of companies in Hong Kong provide company pension plans for all staff since Hong Kong’s MPF is still relatively new and the contribution levels are relatively low. In contrast, Singapore has a long-established provident fund with generous employee/employer contributions (See Figure 8). Thus, most companies don’t provide a separate or additional company pension plan in Singapore.

Figure 7 –Local-Plus Pension Provisions

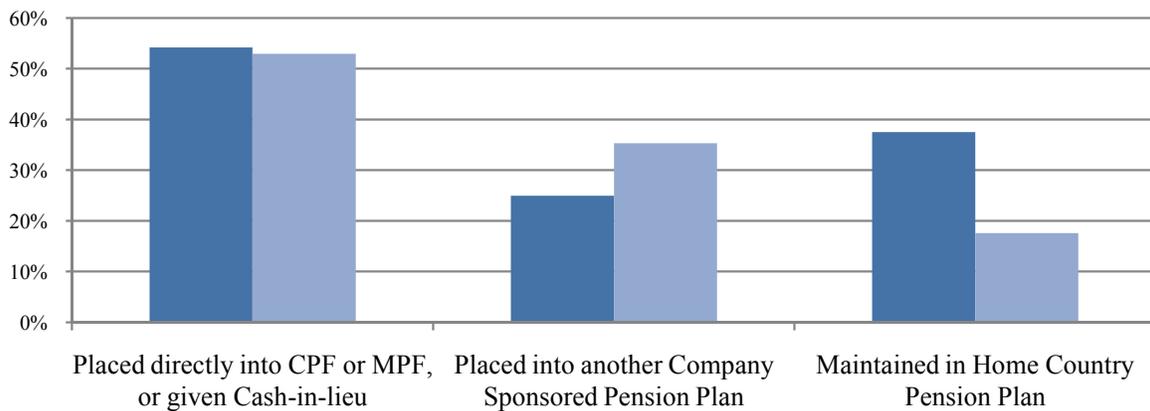


Figure 8 - CPF vs. MPF Contribution Practices

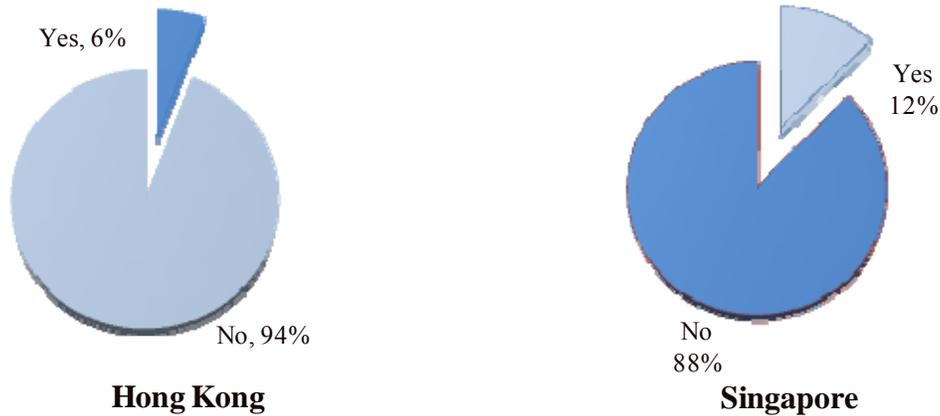


* Amounts quoted are in USD at Oct '08 FX rates, based on annual private sector employment-related earnings of US\$100,000

Transportation Assistance

The overwhelming majority of companies provide a car or transportation allowance in-line with that offered to local national employees of the same level within the company (See Figure 9).

Figure 9 – Percentage of companies that provide car/transportation allowance that differs from local employee policy



Relocation Assistance

There is a consistent level of assistance provided to employees who are relocated internationally under local-plus terms, whether to Hong Kong or Singapore. Typically, a 20 or 40 ft. container plus limited air shipment would be provided for the shipment of household goods, plus a one-time relocation allowance equivalent to one month's base salary, home search assistance and temporary housing for 30 days would be provided. Less common relocation assistance includes language training, spousal assistance, home sale assistance, or reimbursement for lease cancellation costs or loss on sale of cars.

Question-by-Question Analysis

General

Question 1

a. Does your company offer a local-plus package for expatriates to Hong Kong and Singapore?

SING	HK	
		
66.7%	50.0%	Yes
33.3%	50.0%	No
36	32	= N (Total respondents)

b. If "Yes", under what circumstances do you offer a local-plus package?

SING	HK	
		
75.0%	62.5%	When expatriate is transferring permanently
79.2%	81.3%	Local hire of expatriate employee
16.7%	25.0%	Temporary expatriate assignment with planned repatriation
83.3%	75.0%	Localizing an employee that is already on expatriate assignment
4.2%	6.3%	Other
24	16	= N (Total respondents)

Pay Determination

Question 2

How is the expatriate's local salary determined?

SING	HK	
		
26.1%	5.9%	Local salary protects expatriate's current/previous net pay
56.5%	82.4%	Salary is determined by local pay structure without adjustments
17.4%	11.8%	Other
23	17	= N (Total respondents)

"Other" responses included:

- Base salary is on region-wide USD range with premium based on location (10% for SG and HK)
- Home country salary is converted into host currency.
- If a senior executive, corporate salary is used. Otherwise, local salary used.

When the base salary is adjusted to protect previous/current net income, specify which of the following elements are considered in the base salary determination:

SING	HK	
		
85.7%	0.0%	Tax cost differences
85.7%	0.0%	Cost-of-living differences
71.4%	100.0%	Housing cost differences
0.0%	0.0%	Transportation cost differences
42.9%	0.0%	Other elements
7	1	= N (Total respondents)

"Other" responses included:

- Dependent's Education expenses (2 companies)
- Market data for the job

Housing

Question 3

Which statement best describes your practice regarding housing for expatriates on local-plus packages?

SING	HK	
		
12.5%	17.6%	Company provides no assistance towards housing costs
16.7%	5.9%	Company pays full housing costs directly to the landlord
8.3%	0.0%	Company pays full housing costs directly to the landlord and deducts monies from employee's pay as employee's contribution towards housing costs
25.0%	35.3%	Company provides cash housing allowance intended to cover full costs of housing
33.3%	41.2%	Company provides cash housing allowance intended to cover partial costs of housing
0.0%	0.0%	Housing expenses are included in the determination of the employee's local salary and adjusted for subsequent rental increases in the residential housing market
4.2%	0.0%	Housing expenses are included in the determination of the employee's local salary and not adjusted for subsequent rental increases in the residential housing market
24	17	= N (Total respondents)

Company provides cash housing allowance intended to cover partial costs of housing, please explain:

Singapore

- Housing allowance is equivalent to 10% of the salary and is paid for only 12 months from start of the relocation.
- It is a cash contribution which is a function of the "full" expatriate housing allowance
- Housing 'subsidy' is based on level & family size and is reviewed annually. If expat lives in moderate/less expensive areas, subsidy can cover all/most expenses. If chose to live in higher-end properties, will only cover partial
- 50% of standard expat budget
- We do a scale down over a 3 year period. It is basically an assistance to blend into local conditions.
- The housing allowance varies by job grade and is equivalent to 60% of the housing provision for those on full expatriate packages.
- Two-thirds of the housing cost is paid for by company in Year 1, one-third is paid for in Year 2, and no payment is made in Year 3
- Company provides cash allowance on a sliding/reducing scale for 3 years for a soft landing. The allowance is a percentage of the housing budget for International Assignees. In year 1, the allowance is 50% of the IA housing budget; in year 2 it is 30%; and in year 3 it is 20% of the IA housing budget.

Hong Kong

- 70% of full expat housing allowance
- Cash housing element is a function of corporate title.
- Housing 'subsidy' is based on level & family size and is reviewed annually. If Expat lives in less expensive areas, subsidy can cover all expenses. If chose to live in higher end properties, will only cover partial expenses.
- 50% of standard expat budget
- Allowances are provided over a 5 year period and scaled down
- Allowance is provided that is equal to 80% of the housing provision provided to those on full expatriate assignment package. Amount is based on family size of 1 only, and varies by job level. Employee can use cash allowance at their discretion.
- Two-thirds of the housing cost is paid for by company in Year 1, one-third is paid for in Year 2, and no payment is made in Year 3

Question 4

a. Does your housing allowance/budget for employees on local-plus packages differ as compared to that offered under your full expatriate assignment packages?

SING	HK	
		
77.3%	73.3%	Yes
22.7%	26.7%	No, the housing budget/allowance for expatriates on local packages follows the same budget guidelines as the full expatriate assignment package does
22	15	= N (Total respondents)

Yes, please explain the differences:

Singapore

- Expatriate housing budget is based on ORC data based on Job Grade & Family Size. Local plus housing allowance is purely on 10% of base salary for the first 12 months.
- Employee on local terms is not eligible for housing allowance.
- 70% of full expat entitlement
- For direct-hire expatriates on Local Plus packages, the company bases the housing allowance on the cost of renting a Housing Development Board (HDB) flat, whereas the full expatriate package assignees have their housing budgets based on renting in the non-HDB private residential housing market.
- The housing budget for Local Plus employees is 75% of the housing budget provided under the full expatriate assignment package.
- Full expat allowances are higher than local plus subsidies. However, local plus have no housing norm offset.
- 50% of standard Expat budget for Local Plus
- A scaled down version
- Generally about 20%-30% lower than that offered for full expatriates
- Employees on full expatriate assignment packages are provided housing based on ORC data and have a home-country housing norm deduction. For employees under the local-plus policy, it will be based on a pre-determined value that is less than the full expatriate assignment package housing budget, but they are not subject to a home-country housing norm deduction.
- Local-plus employees are given an allowance to cover all additional expenses as a result of an international move, including housing costs. In contrast, employee's provided the full expatriate assignment package have their housing paid for directly by the company to the landlord as a benefit.

- Allowance is 12-15% lower than that provided to those on full expatriate assignment package, depending on job level. We are planning on reviewing our housing allowances in our local plus policy.
- No systematic formula, but in general, a lower allowance is negotiated with the employee on the local plus package
- It has varied in the past.
- The housing allowance varies by job grade and is equivalent to 60% of the housing provision for those on full expatriate packages.
- Two-thirds of the housing cost is paid for by company in Year 1, one-third is paid for in Year 2, and no payment is made in Year 3
- The allowance is a percentage of the housing budget for International Assignees. In year 1, the allowance is 50% of the IA housing budget; in year 2 it is 30%; and in year 3 it is 20% of the IA housing budget.

Hong Kong

- Employee on local terms are not eligible for housing allowance
- 70% of full expat entitlement
- Expatriate housing tables are a function of corporate title and family size and are higher than the local cash housing policy amounts.
- The housing allowances for employees under the local-plus plan are based on housing assumptions that are less than the housing budgets provided under the full expatriate assignment package.
- Full expat allowances are higher (Local-plus subsidies are approximately 65-70% of full expat allowances.) However, local plus have no housing norm offset.
- 50% of standard expat budget
- Scaled down version
- The housing allowance is approximately 40%-50% of the amount offered under the full expatriate assignment package.
- The housing provision for those under the full expatriate packages is intended to cover housing in full. Local Plus employees, however, receive an allowance that is equal to 80% of the provision for the full expatriate assignment package and is based on a family size of 1 only. The allowance for Local Plus employees is intended as a contribution towards housing costs only.
- Housing for local plus is generally less than full expat package
- Two-thirds of the housing cost is paid for by company in Year 1, one-third is paid for in Year 2, and no payment is made in Year 3

b. If company contributes towards housing costs, does the company's contribution phase-out or continue throughout the life of the expatriate's employment?

SING	HK	
		
52.6%	58.3%	Phase out over time
47.4%	41.7%	Remains constant
19	12	= N (Total respondents)

Phase out over time, please explain the phase-out schedule:
Singapore

- Eliminated after 12 months
- For expatriates who are being localized, the company will pay for 75% of rental cost in 1st year, 50% of rental cost in 2nd year and 25% of rental cost in 3rd year. After the 3rd year, employee pays for the full rental cost personally.
- There are two options: The Local Plus housing benefit will be phased out after 3 years by reducing the provision by 20% per year over a five year period, or the employee can receive the Local Plus housing benefit in full for a maximum of 6 years.
- Housing allowance is phased out over a 5 year period. In the first 3 years, the Local Plus employees are given 50% of the housing allowance provided under the full expatriate assignment package. In the 4th year, this amount is reduced by 1/3, and in the 5th year the amount is reduced by 2/3. The amount is eliminated at the commencement of the 6th year.
- Housing allowance will be provided for the first 3 years.
- 3-years
- First two years 100% housing budget Third year 75% of original housing budget Fourth year 50% of original housing budget Fifth year 25% of original housing budget Sixth year 0% of original housing budget
- Phased out over 5 years on a graduated scale.
- Two-thirds of the housing cost is paid for by company in Year 1, one-third is paid for in Year 2, and no payment is made in Year 3
- The allowance is a percentage of the housing budget for International Assignees. In year 1, the allowance is 50% of the IA housing budget; in year 2 it is 30%; and in year 3 it is 20% of the IA housing budget.

Hong Kong

- 5 years
- 67% in year 4, 33% in year 5
- Housing allowance is phased out over a 5 year period. In the first 3 years, the Local Plus employees are given 50% of the housing allowance provided under the full expatriate assignment package. In the 4th year, this amount is reduced by 1/3, and in the 5th year the amount is reduced by 2/3. The amount is eliminated at the commencement of the 6th year.
- Phased out over a 5 year period in reducing percentage amounts
- The housing allowance is phased-out over 2 years. In the first year, 100% of the allowance is provided; 2nd year 50; and is eliminated upon the 3rd year.
- First two years at 100% of original Housing Allowance Third year at 75% of original Housing Allowance Fourth year at 50% of original Housing Allowance Fifth year at 25% of original Housing Allowance Sixth year at 0% of original Housing Allowance
- Two-thirds of the housing cost is paid for by company in Year 1, one-third is paid for in Year 2, and no payment is made in Year 3

Question 5

Please enter any other comments you may have on your Housing policy for expatriates on local-plus packages:

Singapore

- Intention is to move from the current provision of providing a constant housing benefit to employees on Local Plus contracts, to fixing the benefit for 2 or 3 years and then removing housing assistance entirely in year 3 or 4.
- The difference between actual rent and housing budget can be used for reimbursement of utilities.
- Whilst the housing allowance is the same for employees on full expatriate packages and Local Plus employees, the Local Plus employee is responsible for the tax on this amount. Local Plus employees are responsible for their own utility costs.
- The housing budgets under the existing local plus policy are not based on current market rates and do not have a process for getting updated on a regular basis. We are looking at using some form of market basis for the derivation of the housing budget under the local plus policy, which will also then be reviewed on an ongoing basis.
- Believe we would like to get to a point where the allowance is phased out, but we're not there yet
- Exceptions exist where we do not phase out the housing assistance. In these situations, the lease is in the employee's name and the housing benefit is fully taxable to the employee.

- Since this is linked to Internal Assignee housing, we are considering utilizing 2nd tier expatriate housing in Singapore.

Hong Kong

- Target housing is around local mid-class level
- Whilst the housing allowance is the same for employees on full expatriate packages and Local Plus employees, the Local Plus employee is responsible for the tax on this amount. Local Plus employees are responsible for their own utility costs.
- We will provide temporary accommodation for the first 3 months

Dependent Education

Question 6

a. Does your company contribute to the educational expenses of expatriate children’s education costs when the expatriate is hired under local-plus terms and conditions?

SING	HK	
		
25.0%	5.9%	Yes, paid directly by company
20.8%	29.4%	Yes, paid as a separate cash allowance
54.2%	64.7%	No
24	17	= N (Total respondents)

b. If children attend international (or other private) schools which of the following does your company pay or factor into its educational allowance?

SING	HK	
		
18.2%	0.0%	Guaranteed Placement Schemes/Debentures

63.6%	66.7%	Registration
90.9%	100%	Tuition and fees
27.3%	33.3%	Books
27.3%	33.3%	School supplies
18.2%	16.7%	Uniforms
45.5%	50%	Transportation
9.1%	0.0%	Other
11	6	= N (Total respondents)

"Other" response:

- A lump sum is paid to cover additional costs associated with an international relocation. Education costs are factored into the allowance, without specification.

c. If company contributes towards these educational expenses, does the company's contribution phase-out or continue throughout the life of the expatriate's employment?

SING	HK	
		
45.5%	50.0%	Phases out over time
54.5%	50.0%	Remains constant
11	6	= N (Total respondents)

Phases out over time, please explain the phase-out schedule:
Singapore

- Dependent Education expenses are paid for a maximum period of 6 years
- Dependents Education Allowance covers 50% of the costs and is provided for the first 5 years.
- 3 years

- First two years at 100% of original children education allowance (fixed amount) Third year at 75% of original children education allowance Fourth year at 50% of original children education allowance Fifth year at 25% of original children education allowance Sixth year at 0% of original children education allowance

Hong Kong

- Dependents Education Allowance covers 50% of the costs and is provided for the first 5 years.
- gradually phase-out over 2 years
- First Two years at 100% of original Education Allowance Third year at 75% of original Education Allowance Fourth year at 50% of original Education Allowance Fifth year at 25% of original Education Allowance Sixth year at 0% of original Education Allowance

Question 7

Please enter any other comments you may have on your Dependent Education policy for expatriates on local-plus packages:

Singapore

- We provide a one-time reimbursement of registration and other costs incurred to place the child into the Singapore public education system.
- For direct-hire expatriates on local-plus contracts, there is no provision for dependent's education. For expatriate localisation, the company's contributions towards educational expenses will phase out when the assignee's children finish certain educational grades/levels (each phase-out schedule is determined on a case-by-case basis).
- Pay for education expenses in Singapore only. No expenses for extracurricular activities are paid. Company determines choice of English speaking school; however, depending on country of origin an international school of the employee's nationality may be selected because of acceptance of school certificates for University.
- No cap in Singapore.
- Education costs are something we classify under 'other additional costs' that would be covered under a lump sum relocation allowance and would be delivered for the first 3 years. The items are not differentiated out and the amount does not vary by the number of school-aged children, thus this relo allowance could be used to cover school fees partially or fully, depending on the number of school-aged children in the family.
- We only offer educational support for our Partners who come in on a local-plus type package - this support is offered for two years only. We cover all basic costs - tuition, books, transport, uniform, mandatory trips etc.

Hong Kong

- Transportation costs = "school bus costs"
- We only offer educational support for our Partners who come in on a local-plus type package - this support is offered for two years only. We cover all basic costs - tuition, books, transport, uniform, mandatory trips etc. We also own some debentures in HK.

Tax Assistance

Question 8

Does your company extend tax reporting assistance (engagement of tax consultant to assist in tax filing while employee remains responsible for tax payment) to expatriate employees on local-plus packages?

SING	HK	
		
58.3%	29.4%	Yes
41.7%	70.6%	No
24	17	= N (Total respondents)

Question 9

Please enter any other comments you may have on your Tax Assistance policy for expatriates on local-plus packages:

Singapore

- This only applies to the first year of tax filing for relocated employees due to the requirement for tax filing in two countries.
- Tax assistance is provided for transfer cases only on year of transfer/departure for host and home country. This is not applicable for new hires.
- For employees who are hired directly on a Local Plus package, they are responsible for their own taxes except for any additional taxes incurred due to relocation support. For expatriates who are being localized, tax equalization ceases and the employee is responsible for their own taxes, with the exception of any taxes incurred due to any remaining expatriate benefits such as tuition support, etc. For all employees on Local Plus terms, the company will provide tax preparation support for the first year.
- We provide tax assistance for the employees in order to ensure compliance and

safeguard the company's interests.

- We provide tax assistance to employees on our Local Plus policy for the first year only. (5 companies)
- US employees are typically on our standard expatriate terms, but other nationalities have been placed on local plus packages - they are responsible for any and all home country and Singapore taxes
- Tax preparation service is provided on an exception basis only.
- While we don't offer tax filing assistance, we do offer both a home and host country tax consultation upon transfer.

Hong Kong

- Tax assistance is provided for transfer cases only on year of transfer/departure for host and home country. This is not applicable for new hires.
- HR provides in-house tax consultation for local plus package employees when requested
- For the year of transfer employment to Hong Kong (2 companies)
- While we don't offer tax filing assistance, we do offer both a home and host country tax consultation upon transfer.

Pension Provision

Question 10

Which statement(s) best describes your pension policy for expatriates on local-plus packages?

SING	HK	
		
37.5%	17.6%	Maintained in home country pension, where feasible
25.0%	35.3%	Placed into another company-sponsored pension plan
54.2%	52.9%	Placed into the local pension plan, or given cash-in-lieu if not eligible for participation in the local pension plan.
24	17	= N (Total respondents)

Paid additional cash in lieu of company-sponsored pension plan, please describe formula or amount for additional cash payment/"Other" responses:

Singapore

- Prefer employee to go into the Central Provident Fund, when possible. For employees with local plus contracts in Singapore and are not eligible to participate in the CPF scheme, the pension contribution is equal to 15% of base salary, capped at SGD 1,200 per month irrespective of rank.
- The company will try to place the assignee into the Central Provident Fund (CPF) if possible and the company will help the employees to obtain permanent residency status in Singapore. For payment of additional cash-in-lieu of company-sponsored pension plan, the payment will be calculated based on the employer's contributions to social security (Central Provident Fund) in Singapore. (10 companies)
- Placed in local country pension

Hong Kong

- Endeavour to use host country pension scheme except for special cases with mandatory schemes that need to continue contribution in home country
- Local HK plans/ participate in Hong Kong Mandatory Provident Fund (MPF) where possible (6 companies)
- Employee is paid a gross salary only and can contribute to home pension if desired.

Question 11

Please enter any other comments you may have on your Pension Provision policy for expatriates on local-plus packages:

Singapore

- For Local Plus expatriates who are on a temporary assignment with planned repatriation, they remain in their home based pension plans. Local Plus expatriates who are either hired locally or transferred to Singapore on a permanent basis are enrolled into a regional Company plan.
- Employees on Local Plus packages are placed into an offshore pension plan.
- An International Pension Plan is offered on an exception only basis and is typically reserved for senior-level employees.
- Encouraged to move on to local pension plans where allowed and applicable
- We are faced with the issue of providing pensions for our "Local Plus" staff and are exploring the possibility of providing an International Pension Plan.

Hong Kong

- For Local Plus expatriates who are on a temporary assignment with planned repatriation, they remain in their home based pension plans. Local Plus expatriates who are either hired locally or transferred to Singapore on a permanent basis are enrolled into a regional Company plan.
- For pension and all other long term benefits, treated as any other local employee

Transportation Assistance

Question 12

Does your company provide a car or transportation allowance to your expatriates on local-plus packages that differ from your policy for local national employees?

SING	HK	
		
12.5%	5.9%	Yes
87.5%	94.1%	No
24	17	= N (Total respondents)

Please explain the differences as compared to your local transportation policy:
Singapore

- For employees hired directly on a Local Plus package, a fixed monthly car allowance is provided for senior level employees for up to 3 years.
- SG Local employees get a small annual transportation allowance. Local plus do not receive that; however do receive a small miscellaneous perquisite allowance which can be used for transportation expenses (as well as other things).
- It has varied in the past.

Hong Kong

- A transportation allowance is given to all expatriates on Local-Plus packages, whereas for local national employees a transportation allowance is only provided if their job requires travel within the city.

Question 13

Please enter any other comments you may have on your Transportation Assistance policy for expatriates on local-plus packages:

Singapore

- The provision of Transportation depends on the employee's job level. Local Plus employees usually are at higher job levels/grades where a car/transport allowance is a regular part of the remuneration package.
- As per local employees, Local Plus employees are provided with an interest free loan for purchase of an automobile.
- Employees will be offered allowance or company car if they reach a certain grade level and above.
- A car cash allowance is provided across-the-board for Director level jobs and is fully taxable to the employee.

Hong Kong

- Transportation assistance/allowance is based on local terms.
- We provide company car based on employee's grade level. Expatriates on local plus package will be offered a car if they fall into the eligible grades

Relocation Assistance

Question 14

For those provisions that are included in your local-plus package, please give either the quantum amount or formula used to determine the amount of each provision. If the origin of the expatriate (i.e. expatriate nationality), level within the company, or family size is a factor in determining a distinction in the level of any package of provisions, please describe how the factor impacts the allowance.

100.0%	Shipment of Household Goods
100.0%	One-time Relocation Allowance
94.8%	Temporary Housing
50.0%	Home Search Assistance
26.3%	Cultural Training

26.3%	Language Training
15.8%	Spousal Assistance
10.5%	Home Country Housing Sale Assistance
13.1%	Home Country Lease Cancellation Assistance
15.8%	Loss of Sale for Cars in Home Country
42.1%	Other
38	= N (Total respondents)

Shipment of Household Goods

Please specify the quantum amount:

- 40 foot container (3 companies)
- 20ft sea container for family of 2 or less, 40ft sea container for family of 3 and above (3 companies)
- (1) Sea shipment ---> 20 foot container for family size of 1-2 people, a 40 foot container for family size of 3+ people. (2) Air shipment ---> 400 pounds for family size of 1-2 people, 600 pounds for family size of 3+ people. Note that air shipment is provided only for international moves (i.e. from one continent to another continent).
- Actual costs are paid (2 companies)
- Sea freight 3.4m³ for singles, 4.5m³ for couples plus 1.1m³ per child
- 20 foot container (3 companies)
- Based on family size, 15 cubic metres for employee, 10 cubic metres for spouse and 5 cubic metres for each child
- Ranges from 20ft container for singles up to 40 ft container for families, with senior level positions with families eligible for an additional 20 ft container.
- 20 ft or 40 ft sea container, depending on family size
- FS1 - 250lbs air, 20ft container: FS2 500lbs air, 40ft container: >FS2 750lbs air, 40ft container
- 40 ft container for family 20 ft container for single (3 companies)
- Sea freight 3.4m³ for singles, 4.5m³ for couples plus 1.1m³ per child
- 40ft container for family/20ft for single plus air shipment of 500lbs
- Limited airfreight plus 20 or 40 ft sea container
- Max 40m³ per adult plus 10m³ per child, or one 40 foot

container for the family

- 1000 lbs by air, 1 20ft container by sea
- Based on tenure, and family size
- 1000 lbs by air, one 20ft container by sea

One-time Relocation Allowance

Please specify the quantum amount:

- GBP3,000 or 10% of host salary capped at GBP10,000, depending on category of assignment
- 1 month's salary, capped at SGD 32,000
- One month's salary, capped at US\$10,000 (2 companies)
- One month's base salary (8 companies)
- USD3,000 or USD5,000, depending on level
- S\$5,000
- Discretionary of approximately GBP5,000
- 20% Base Salary
- 1 month's salary, capped at HKD 150,000
- FS1 CHF 7,500: FS2 CHF 10,000: >FS2 CHF 12,500
- 1/12 of gross annual salary for unfurnished residence or 1/24 for furnished residence
- Half-month's salary
- One month salary in net
- 3% of gross salary, plus additional 1% for each accompanying dependant. The amount is capped at AUD4,000 with a minimum allowance of AUD1,500
- Based on home-host location, tenure, family size

Please specify any other factors influencing the amount:

- Single = Euro 7,000, Married/Partner = Euro 10,000 plus Euro1,000 per child
- half-month's salary
- 3% of gross salary, plus additional 1% for each accompanying dependant. The amount is capped at AUD4,000 with a minimum allowance of AUD1,500
- based on home-host location, tenure, family size
- Formula based allowance intended to include 30 days per diem in the host location plus incidental expenses and minor appliance purchases.
- includes 21 days temp housing, car differential, host arrival allowance and home departure allowance

Home Search Assistance

Please specify the quantum amount:

- Pay the agent fees
- No specific amount we pay for the real estate fee's per market norms
- Welcome Service: S\$2,400
- Designated supplier to assist with home search

Please specify any other factors influencing the amount:

- Use CBRE, no costs
- Corporate agent is engaged

Temporary Housing

Please specify the quantum amount:

- 30 days temporary stay in a service apartment / hotel (10 companies)
- 2 months maximum (2 companies)
- The amount is based on the housing budget provided for permanent housing
- 1 week at home and 4 weeks in host
- up to 45 days
- 15 days hotel and meals
- 3 months in a serviced apartment
- 21 days of temp housing is built into our one time lump sum upfront relocation allowance
- up to 8 weeks
- 3 days in home country, 30 days in host country
- 14 days hotel accommodation in max.
- 10 days in home, 30 days in host
- up to 2 months of temporary accommodation provided

Please specify any other factors influencing the amount:

- This is flexible if the person is a new hire
- up to 4 weeks in service apartment
- This is flexible if the person is a new hire

Cultural Training

Please specify the quantum amount:

- online training
- Pay actual costs
- 1 day program
- online training

Please specify any other factors influencing the amount:

- At business discretion
- Part of Orientation to Singapore
- As needed

Language Training

Please specify the quantum amount:

- online training
- Pay actual costs up to 50 hrs training for employee
- business discretion

Please specify any other factors influencing the amount:

- Language Training is provided if needed to assist the child in integrating into the Singapore school system
- at business discretion
- person speaks English before relocating, different treatment for family
- As needed

Spousal Assistance (job search fees, professional education, etc.)

Please specify the quantum amount:

- 3 months of job search assistance is provided. Assistance is delivered on a reimbursement of actual expenses incurred basis and capped at S\$5,000.
- An allowance of EUR 2,000 is provided initially. Additional amounts will be reimbursed for spouse training upon receipts, with a maximum of EUR 8,000 paid in total.
- Reimbursement of actual expenses, capped at AUD2,000
- no set amount - only offered to our partners

Home Country Housing Sale Assistance

Please specify the formula used to determine amount:

- This support is only applicable for expatriate localisation. The company will reimburse typical out-of-pocket home sale transaction costs.

- Capped at US\$50,000
- If they are a homeowner we do provide them with a lump sum which is based on their country of residence and their tenure

Home Country Lease Cancellation Assistance

Please specify any other factors influencing the amount:

- Pay actual costs
- As needed
- Reimbursement of lease breaking

Loss of Sale for Cars in Home Country

Please specify the formula used to determine amount:

- The company will pay a contribution towards the car sale loss. The net amount is based on external consultant's data reflecting the cost of owning a car in the assignee's home country.
- 50% of loss against an official list
- Up to 20% of value of car
- Difference between fair market value and sale price, for a maximum of 2 vehicles

Please specify any other factors influencing the amount:

- As needed

Other

- "Look & see" trip at business discretion
- Per Diem Paid S\$92.00 per diem for each day up to 30 days upon arrival
- Cars - lease cancellation fees actual costs
- Per Diem while in Temporary housing (2 companies)
- Singapore Employment Pass Application Fee
- Relocation days off
- "Look & see" trip, up to 5 days including travel days
- Hong Kong Work Permit Application Fee

Additional Comments

Question 15

Please enter any other comments you may have on your Relocation Assistance policy for expatriates on local-plus packages:

- We provide Local Plus employees who are relocating to Singapore the choice of either shipment of household goods or a miscellaneous relocation allowance equal to one month's salary.
- Local plus employees are eligible for 1 home leave per year. Business class airfare for employee and family. (2 companies)
- We no longer have any local-plus cases. Data provided was based on past cases.
- We are looking at revising our policy. We are currently providing a cash allowance for housing which is reduced on a sliding scale over a 3 year period. We are considering including additional monies to cover schooling as well -whether fully or on a reduced sliding scale over a three year period.