

Reviving mobility: what to expect from pandemic recovery



Summary of U.S. Bank Corporate Programs virtual client advisory forum on how mobility will evolve and move forward as organizations continue to recover from the COVID-19 pandemic

June 17, 2021



The U.S. Bank Corporate Programs team continued its series of virtual advisory forums with a panelist session on June 17, 2021. The session explored what to expect as businesses continue to recover from the COVID-19 pandemic and mobility begins to revive, evolve and move forward, including:

- Expectations for when business travel is expected to return to pre-pandemic levels
- How organizations are interpreting their existing mobility policies and addressing employee needs
- Ongoing immigration complexities and challenges
- Emerging best practices for mobility policy provisions

The U.S. Bank Corporate Programs Virtual Advisory Forum session included insights from an expert panel:

- **Jennifer Fontaine, Mobility Analyst at the Bill & Melinda Gates Foundation**, shared how her organization has been responding to the constant changes in the mobility landscape.
- **Julia Onslow-Cole, Partner with Fragomen**, provided an immigration update and practical tips for relocating employees and business travelers.
- **Russ Haynie, Director, Global Consulting Services with Altair Global**, offered insights and recommendations for what organizations are doing to enhance and fine-tune their mobility policies in the current environment.

Changing environment for global mobility and business travel

The session kicked off with a question for attendees on their expectations for business travel recovery for domestic and international business travel.

When do you anticipate business travel to return to pre-pandemic levels?



43% expect **domestic** business travel to return in early 2022

30% expect **international** business travel to return by mid-2022

We have learned that organizations are largely taking a very cautious approach to business travel based on the complexity of travel and the experiences of assignees during the pandemic.

The discussion moved to how mobility and business travel was changing, broken out into two general categories: **temporary or transitional changes** that were put in place due to the pandemic and **lasting changes** and paradigms that would remain in place moving forward.

Temporary or transitional mobility conditions

Julia Onslow-Cole discussed the impact of the pandemic on the assignee experience and related a number of challenging stories of families being separated in different countries, including arrests for breaching quarantine requirements which were constantly changing by country. These types of incidents highlighted the importance of organizations to really focus on duty of care and full assignment support at much higher levels than before the pandemic.

Russ Haynie stated that many questions he received from organizations during the pandemic were related to concerns for how extended move times, in light of economic lockdowns and travel restrictions, would impact compliance and tax. The positive news was that, at least for domestic U.S. moves or for moves touching the U.S., due to 2018 tax reform there were no longer tax consequences related to extended move times.

Altair conducted a pulse survey in the Summer of 2020 that asked how organizations were handling employees that were already in the relocation pipeline. We asked the same question in a poll of attendees and, as the chart below indicates, there has been a big shift in approaches. In the Altair pulse survey, over half of companies were delaying moves based on the state of the pandemic, while only 4% indicated that moves were proceeding, but only at the employee's pace. In our polling, only 29% of respondents indicated that they were delaying relocation starts, but nearly half (48%) indicated that moves were proceeding, but only at the pace of employees. This indicates a clear shift to a focus on duty of care and assignee support.

How organizations are managing employees in the relocation pipeline

	Altair Summer 2020	2021
Delayed relocation start	52%	29%
All current moves proceeding	44%	23%
Current moves proceeding, but only at employees pace	4%	48%

Source: Altair Global 2020 Pulse Survey and Webinar Polling

Supporting employees during the pandemic

Jennifer Fontaine of the Gates Foundation discussed some key ways in which they were able to support employees during the pandemic, including:

The expectations for organizations to focus on duty of care and provide full support for employees are much higher than pre-pandemic levels, especially for health and well-being support.

Housing challenges, return to work initiatives and seasonal shortages will exacerbate delays. Be sure to set expectations, communicate often and be flexible.

- Being more agile, flexible and patient in support of employees.
- Being consistent and transparent in support for assignees.
- Understanding that moving was already stressful, even before the global pandemic, so balancing compliance, legal and fiduciary risks with empathy was important.
- Continuing to find new ways to communicate and support.

As we move into the post-pandemic stage, with office reopening plans and moves that were delayed proceeding, people are starting to plan moves at a very busy time. In addition, there is the ongoing challenge of immigration timelines, and some consulates are not open yet. In this stressful time, it is important to communicate frequently and set expectations with leadership and assignees.

Immigration around the world today

Onslow-Cole provided a brief overview of immigration around the world today as a result of the global pandemic and economic recession. One area that is impacting immigration is that governments are concerned about protecting resident labor, and this is making immigration policies more difficult.

Asia Pacific

In Singapore, preferences on hiring Singapore citizens and drastic cuts to dependents accompanying assignees have made it difficult to manage immigration requirements. If dependents of assignees can't get a letter of consent, they are not able to stay in the country. Exacerbating matters is that Singapore was moved back to the second stage of lockdown due to COVID-19 increases, restricting travel further.

Many banks were looking to move employees out of Hong Kong to Singapore, but work restrictions are making it difficult. Vietnam was also becoming a preferred location for organizations to move employees to, but they have also tightened their requirements.

Europe

In Europe, the big news continues to be Brexit. The deadline for EU citizens living in the UK to apply for the UK Settlement Scheme was set at June 30, and a lot of people left it to the last minute and had trouble accessing the system. The circumstances of non-compliance are drastic. In addition, EU citizens were doing a lot of jobs in the hospitality sector in the UK, and there is a huge shortage of workers.

Americas

In the U.S., there is a focus on border policies, and questions still remain on what the Biden administration will do for business. There is still tremendous difficulty actually

getting people into the U.S. There may be a relaxation in the travel restrictions as vaccination levels continue to increase, but it is still too soon to tell, and there are huge backlogs at all of the consulates.

Even if there is a slight relaxation in the restrictions for applying to bring exceptional worker cases into the U.S., there are still challenges with getting appointments at the consulates.

Overall landscape

Overall, we are seeing a very complex immigration landscape with governments imposing new protectionist policies. Many governments have also taken advantage of the pandemic to improve their technology and its connection to their information. Compliance has never been more rigorous, and this indicates that there may be permanent changes in store for how we travel and relocate people. As a result, organizations need to have a joined-up tax and immigration strategy plan for assignees.

Organizations need to have a strong tax and immigration strategy plan for assignees.

Haynie said that organizations should review, and adjust as needed, their internal stakeholder educational materials to reinforce the importance of compliance and timing of immigration.

Lasting mobility paradigm shifts

The panel conversation moved to what some of the lasting paradigm shifts might mean for mobility now, and as recovery continues.

Work from home vs. return to work

There has been a lot of discussion about the extent that work from home, or work from anywhere, will remain in place once the pandemic recedes. Haynie cited a finding from a research paper, *Why working from home will stick*, by the National Bureau of Economic Research. The results estimate that 20% of full U.S. workdays will be supplied from home after the pandemic ends (versus just 5% before the pandemic).

So, it appears that the work from home trend is here to stay. Not surprisingly, Mobility teams are being called to contribute to the conversations on tracking and managing immigration and tax compliance risk. This has the potential to elevate the role of Mobility as a strategic partner to the organization.

Managing interim employee needs during the pandemic

Fontaine discussed how the Gates organization managed ad hoc and interim needs during the pandemic and provided recommendations for how to manage going

Being part of the WFH conversation has the potential to elevate the Mobility function to more of a strategic partner role.

forward. Every employee and situation is unique, but it is important to treat employees consistently, while still applying a flexible approach.

- **Apply what you learned.** Look at your mobility policies. Did your policy hold up under a pandemic? Apply the best of what you have learned to improve your policy.
- **Look beyond mobility.** You need to apply a cross-functional approach to explore how your entire organization is functioning. Understand the importance of data.
- **Be flexible.** In some ways, the pandemic leveled the playing field as everyone was going through the experience together. Realize the human side of mobility and that not having the answer to every situation immediately is OK. Manage with flexibility and grace.

Fontaine said that there will be a continued evolution in travel driven by vaccine and testing requirements. For immigration and travel, it is important to get comfortable with the policies that you have in place, pressure test them for effectiveness and make strategic decisions. Also, many organizations will be looking at travel differently, with a closer focus on sustainability and environmental impact. It is important for Mobility to be part of that conversation with the larger organization.

Overall, ask yourself how you can get ahead of things and have flexibility and consistent communication across your organization. Don't be afraid to learn from peer organizations and your partners and challenge each other.

Impacts of slower move timeframes

Haynie discussed some of the impacts of slower move timeframes on employees and families, especially in the areas of extended temporary living and assistance for separated families. During the pandemic, the impacts on extended temporary living were largely driven by quarantine lockdowns. Now, as the pandemic recedes, extended temporary living is being driven by the real estate market squeeze on access in the U.S.

Some key ways organizations can address this challenge include:

- Looking for opportunities to front load or advance cash to employees in this competitive environment. A strong cash position is key for employees presenting qualified and competitive offers.
- Renewing a focus on using a pre-registered network of agents in the destination location.
- Considering a rental incentive to compensate homeowners who agree to rent rather than purchase in the destination location.

As pandemic recovery is uneven in some locations, review your current policies and make decisions about support for separated families. Consider providing specialized assistance, including separation allowances and increased visitation allowances.

The keys to managing interim needs include applying what you have learned, taking a holistic organizational view, and being flexible.

Employees encouraged to move vs. doing what makes them feel safe

Once again, taking a look at Altair's pulse survey in the Summer of 2020 and our webinar poll, we are seeing some minor shifts by organizations in their approach to moving employees. As vaccination rates increase and restrictions ease, organizations are slightly more likely to encourage their employees to move (27% versus 15% in 2020). The majority are still focused on duty of care and encouraging employees to do what makes them feel safe, albeit down slightly to 73% versus 85% in 2020. This indicates that while organizations are focused on advancing business objectives, there is a continued focus on duty of care.

	Summer 2020	2021
Employees encouraged to move	15%	27%
Employees encouraged to do what makes them feel safe	85%	73%

Source: Altair Global 2020 Pulse Survey and Webinar Polling

Managing business travel and immigration

Onslow-Cole shared some strategies that organizations adopted to support employees during the pandemic. There has been a proliferation of remote working visas, offering a solution that allows employees to regularize their stay, and for organizations to get comfortable with tax compliance and other arrangements. Some governments are becoming more open to remote working schemes and paths to citizenship.

Onslow-Cole stated that governments are looking more closely at non-compliance in tax and immigration than ever before, and it is vital that organizations really focus on making sure they are compliant. Many countries have started to give consideration to short-term business visas where employees can actually do the work needed to meet business objectives. Historically, this has been an area of non-compliance and, as temporary work types increase, organizations will need to make sure they are compliant.

Future of mobility

In closing, the panel offered some thoughts on the future of mobility and the lasting legacy of the pandemic.

Drivers of global mobility moving forward

As business and economies continue to recover, many people are questioning whether global mobility will shrink in the aftermath of the pandemic and the

Governments are looking more closely at tax and immigration non-compliance, so organizations really need to make sure they are compliant.

expansion of remote work. Onslow-Cole stated that the drivers of global mobility are still there, namely the desire to have employees gain experience in other countries and the need for organizations to look at new markets. A lot of that work needs to be done on a face-to-face basis, and she feels that global mobility will return to pre-pandemic levels.

On the other hand, it has been proven that some business functions can be managed effectively remotely, so it is important to really examine your program to balance global mobility and remote work. In addition, many organizations will be assessing business travel from both a cost control and an environmental impact point of view; business travel is an area likely to see some change.

Legacy of the pandemic on mobility policies

Haynie pointed out that a focus on flexibility in mobility policy, e.g., lump sum and core-flex, was already happening before the pandemic and will likely continue. Flexible accommodation of travel preferences and home leave provisions through lump sums and flexible allowances are expected to increase. The pandemic reinforced the value of that type of flexibility for employees.

Organizations that already had flexible policies in place were nimbler and their programs worked as they were designed, sometimes with some tweaks. As experience shows, there is no better time for change than during a crisis, so be sure to review your mobility policies for areas of improvement.

While it is still too early to say that we are in the post-pandemic stage, there will continue to be many changes and adjustments in global mobility programs. We will continue to update you as new best practices and trends evolve.

If you have additional questions, please do not hesitate to reach out to your Corporate Programs contact. To hear a replay of the panelists and view the presentation, please view the [recording of this webinar](#) <link to FIQ page> online.

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