

New York University

University Policies

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Responsible Officer: Senior Vice President for Human Resources and Global Support

Policy

It is the policy of New York University (“the University” or “NYU”) that the University’s affairs be conducted consistent with applicable laws and regulations, ethical norms, and accepted best practices. The University’s global assignment policies are grounded in the principles of commitment to employee safety and health/welfare, and of compliance with local laws and regulations.

Purpose of this Policy

NYU is a Global Network University that operates in an expanding global environment. The purpose of this policy is to define the principles, procedures, compensation and other benefits applicable to Faculty and Administrators who accept global assignments.

Scope of this Policy

This policy applies to all Faculty and Administrators who accept assignments away from their home country to work at an NYU degree granting campus for a period of 12 months or longer. For purposes of this Policy, home country refers to the point of work origin of the Faculty Member or Administrator and not to their country of citizenship or nationality.

Procedures for Implementation

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INTRODUCTION

1. Policy Interpretation and Revision

The University reserves the right, in its sole discretion, to change or repeal this Policy at any time without the University incurring any obligations or liabilities. Nothing in this Policy will be deemed to create a contract between the University and any Faculty member or Administrator. NYU also reserves the right to structure elements of global assignment compensation, allowances, and/or reimbursements in the most tax efficient manner pursuant to applicable laws and regulations.

Unless otherwise indicated, the costs of the benefits described in this policy will be borne or paid directly by NYU or reimbursed to the Faculty Member or Administrator by NYU.

All benefits provided to Faculty members and Administrators by third-party vendors as outlined in this Policy will be delivered by organizations designated by NYU. NYU will not be responsible for any costs incurred by Faculty members and Administrators with respect to the use of vendors other than those designated by NYU.

Application Outside of the United States

University policies articulate the values and principles the University upholds and the obligations imposed on members of the University Community. Thus, University policies apply in connection with the operations and activities of the University regardless of location. As a Global Network University that operates in an expanding global environment, the University will encounter varying laws and business practices as it conducts its affairs outside the United States. To the extent that a University policy or a

provision of a policy conflicts with the laws in another country, the University seeks to comply with the laws of the jurisdiction in connection with its operations and activities in that jurisdiction. However, differences between University policy and foreign laws may not be self-evident and can be complex. Therefore, whenever there is a question regarding the University's legal responsibilities at locations outside the United States, the University's Office of General Counsel must be consulted to evaluate the University policy in the context of foreign laws and to advise on the appropriate course of action

Family

The definition of family for purposes of this Policy will follow the domestic benefit plan definition of family in the home country. Determined by circumstances at the time of the global assignment, family can include spouse/domestic partner or domestic partner equivalent of same or opposite gender, and unmarried dependent children through the end of the month in which age 26 is attained. Family also includes unmarried, dependent children over age 26 who are mentally or physically disabled. Other dependents living within the household will be considered for eligibility on a case-by-case basis.

It is important to note that while NYU recognizes domestic partners of same or opposite gender, there are countries that do not recognize such relationships and/or have immigration restrictions that may preclude domestic partners from obtaining a visa. Therefore, even though this Policy is intended to include domestic partners, it may not be possible for domestic partners to benefit from the Policy due to external reasons beyond NYU's control.

Currency

All expenses paid in foreign currency should be reported in U.S. dollars. The conversion rate as indicated by the University's banking institution the purchase was made should be included on the form. Any customary fee paid for currency conversion is reimbursable and should be supported by the receipt provided by the establishment that processed the conversion.

<http://www.nyu.edu/financial.services/cdv/policies-pgS4-93#open>

Reimbursement

In all instances in which NYU is reimbursing out-of-pocket expenses directly related to an assignment, the Faculty member or Administrator is responsible for recording expenses contemporaneously, and obtaining and preserving original receipts for all expenses that will be submitted for reimbursement by the University. Failure to submit such receipts may result in denial of the requested reimbursement.

Policy Exceptions

Exceptions to this Policy must be approved in writing by the Provost, Vice Chancellor Strategic Planning, and Executive Vice President ("EVP") for Health.

2. Assignment Letter

All global assignments must be preceded by an Assignment Letter signed by the hiring authority and the faculty member or administrator who is about to embark on assignment. All Assignment Letters are based on templates that have been developed and approved by the Office of the Provost, Office of General Counsel and the University's Human Resources Department.

An Assignment Letter outlines specific details of the assignment including such elements as compensation, assignment duration, and expected dates of departure and return. The Assignment Letter is not an employment contract, but an addendum to the Faculty member and or Administrator's existing terms and conditions of employment.

COMPENSATION OVERVIEW

3. Objectives

The compensation policy is a home-based philosophy. It is designed to:

- Ensure that Faculty and Administrators will not suffer a decrease in pay due to an global assignment; and
- Facilitate re-entry by Faculty and Administrators to their campus of origin.

4. Base Compensation

Base Salary

Base salary is home-based, that is, it is set at the level paid to the Faculty Member or Administrator, as if the employee were continuing to work at the home-country campus. Base salary is used to determine the level of any University-provided benefits for which the Faculty and Administrator may be eligible (e.g., pensions and life insurance coverage).

Base salary is utilized in calculating differentials, such as the cost-of-living allowance, to be described later in the policy.

Annual merit increases also are home-based and will be made, if applicable, according to the home-country scale.

Bonuses

Eligibility for bonuses will continue during the assignment in keeping with home-country guidelines. Bonuses are not considered part of base salary and are not included in calculating differentials and allowances.

5. Employee Benefit Plans

Medical Insurance

Medical insurance normally is provided by a University-designated global medical plan, subject to plan requirements for eligibility. The intent is for the Faculty and Administrators to receive approximately equivalent medical coverage to that provided in the home country.

Retirement Plans

Where possible, the Faculty and Administrators will continue in the home-country retirement plan. However, Faculty and Administrators who are unable to participate in the home-country plan will be provided an approximately comparable retirement benefit option.

PREPARATION FOR GLOBAL ASSIGNMENT AND RELOCATION PHASE

This section outlines the benefits that are provided to prepare the Faculty Member or Administrator for his/her global assignment and to relocate to the host-country destination.

6. Pre-Assignment Orientation

A pre-assignment orientation will be provided to aid the Faculty Member or Administrator and accompanying qualifying family, if applicable, in making more knowledgeable assignment decisions and to assist in the transition to the new location.

The Faculty Member or Administrator should contact the Office of Global Services (“OGS”) to discuss his/her global assignment. This consultation is designed to provide assignment-related details as well as an opportunity to discuss any unique circumstances that may require special handling and is, therefore, mandatory.

7. Medical Examination / Immunizations

The host country may require a medical examination performed by a host-country designated physician in connection, for instance, with the visa application process.

The University recommends that Faculty and Administrators bring copies of relevant medical records for themselves and their family members. This can assist a local doctor in cases where medical attention is necessary.

8. Travel / Visa Documents

NYU will assist Faculty Members and Administrators to obtain the approvals, clearances, work permits, visas, and other documentation that may be required to permit them to perform the services contemplated by their assignment. Faculty Members and Administrators are responsible for coordinating with the designated contact in the OGS and providing the required information and completed forms as soon as possible to secure required approvals, clearances and documentation as obtaining them may be a very lengthy process. Faculty and Administrators cannot relocate to their host countries and

begin global assignments until all required approvals, clearances and documentation have been obtained. The cost of obtaining a passport is not covered by NYU.

9. Tax Orientations

Faculty and Administrators are required to meet with the University-designated tax provider for an initial review of the University's tax policies and practices before departure. This consultation provides an opportunity to understand the tax issues related to the global assignment.

10. Cultural Orientation

One important aspect in the success of a global assignment is the ability to adapt to the local culture. NYU will provide a cultural orientation through an NYU-designated service provider. While the orientation cannot cover all issues, it is a valuable opportunity to prepare for the challenges that may occur upon arrival in the host country, by increasing the understanding of the host-country culture, customs, and business protocol.

11. Shipment of Household Goods

Accommodations in the host country can vary. They will depend on a number of factors, such as local market practices and availability. They may be furnished or unfurnished.

Therefore, if appropriate and practical, the University may pay the normal charges of shipping essential household goods, furnishings and personal effects for the Faculty member and Administrator and accompanying qualifying family up to the applicable limits, some of which are described below and in the appendix. Other limits may apply, which could be driven by host country laws.

When furnishings are provided locally, the Faculty Member or Administrator will be eligible for a limited shipment of personal belongings only. Typically this shipment may be via airfreight.

In general, goods will not be shipped until work permits, visas and all other required documents are secured and the Assignment Letter is signed. The size and weight of the shipment must be within the limits described in this section. Included in the expenses paid by NYU are typically the following:

- Packing and loading of household goods;
- Pick up at the origination point (split pick-ups require exception approval and should be avoided whenever possible);
- Overland and overseas transportation;
- Shipping documentation and related fees;
- Host country customs and import duties; and

- Delivery, unpacking, and uncrating at the destination.

Shipment of Household Goods

As described above, depending on the type of the accommodations that the Faculty Member or Administrator will occupy, the University may provide for the moving of household goods from the home location to the host location. Shipping may be provided as follows:

- If the Faculty Member or Administrator is moving in to unfurnished housing, he/she may be eligible for a shipment by air (where practicable) and an additional surface shipment; and
- If the Faculty Member or Administrator is moving in to furnished housing, he/she may be eligible for shipment by air (where practicable) only.

Air Shipment (where practicable)	
Single/Unaccompanied	Up to two (2) 17.5 cubic feet containers
Spouse/Accompanied	One 62 cubic feet container
Dependents	For each eligible accompanying dependent, one 17.5 cubic feet container (in addition to the limits above)

Surface Shipment (unfurnished housing only)	
Family size of 2 or less	One standard 20ft container (about 6-7,000 lbs.)
Family size greater than 2	One standard 40ft container (about 14-16,000 lbs)

In addition to the shipments above, Faculty and Administrators are permitted to take up to 75lbs/32kgs (1 bag per person) of accompanied excess baggage en route to the host location.

As previously noted, the cost of shipping, insuring and clearing through customs may be borne by the University. The Faculty Member or Administrator should supply to the University's designated relocation services provider an inventory of the current replacement value of all goods shipped, prior to shipment, and declare these values for insurance purposes and to expedite matters in the event of a claim. Please note the University will cover insurance of up to USD 100,000.

The University's designated relocation services provider will coordinate the global move of household goods. At the time of repatriation, or transfer to another country, the Faculty Member or Administrator may be allowed to transport a surface shipment of up to 110% of the weight of the original shipment.

Charges for transportation of household goods in excess of the weight and shipping container volume described above will be the responsibility of the Faculty Member or Administrator. The University will not pay any costs associated with the shipment of certain items. A list of most items can be found in Appendix A.

12. Home-Country Housing

The University views the vacating of one's principal housing in the home country (or elsewhere) and the subsequent decisions regarding the housing while on an assignment as of a personal nature. Therefore, the University does not provide funding for any type of home maintenance.

13. Temporary Living

The "temporary living period" refers to the time from when the Faculty Member or Administrator leaves his/her permanent residence in the home country until he/she occupies permanent accommodation in the host country. During this period the Faculty Member or Administrator may be required to occupy temporary accommodation in the home country and/or the host country. In such cases, the University will assist in arranging the temporary accommodation, which may be some form of University-owned housing. Temporary living is limited to 60 days, which can be used in any combination between the home and host country.

In addition, while Faculty Members and Administrators are living in temporary accommodations, the University will reimburse them for reasonable *per diem* living expenses such as meals, laundry and telephone, to be calculated using data based on typical daily living expenses while on a business trip in the host country. Per diem is also limited to the time in the temporary accommodations, which is up to 60 days.

14. Miscellaneous Relocation Allowance

The University recognizes that there are sundry costs associated with vacating one home and setting up another. In order to assist the Faculty Member or Administrator with these costs, a miscellaneous relocation allowance, up to a pre-determined amount, will be

provided to compensate for a variety of individual miscellaneous moving-related expenses, not specifically reimbursed or covered elsewhere in this policy. Receipts are not required for this allowance.

Examples of the types of expenses that the Faculty Member or Administrator may choose to use this allowance for are:

- Installation and maintenance of appliances;
- Purchase of small appliances;
- Expense of initial housecleaning upon move-in to the host-country residence;
- Telephone and television installation charges;
- Licensing and registration costs of automobiles, television sets, and radios, and costs of drivers' licenses;
- Household cleaning at housing accommodations in both home and host countries; and
- Shipment of pets.

15. Travel to/from the Assignment

The cost of travel for Faculty Members and Administrators and accompanying qualifying family may be provided with travel to the host country within the standard NYU travel allowances, as detailed in the Assignment Letter and on the NYU website.

<http://www.nyu.edu/financial.services/cdv/policies-pgS2>

16. Destination Services

To assist in settling into the new environment, faculty members and administrators may be eligible for some services from a University-designated service provider in the host location. The services offered vary by location and may include the following:

- School selection for dependent children;
- Home-finding assistance and lease negotiation (if NYU housing is unavailable);
- Cultural and logistical orientation;
- Telephone and utility installation assistance;
- Host-country transportation;
- Shopping recommendations;
- Assistance with opening bank accounts, obtaining driver's licenses, local government paperwork, etc; and

- Healthcare and leisure activity guidance.

Details concerning destination services will be provided during the pre-assignment orientation.

17. Spouse / Domestic Partner Assistance

In order to assist the spouse/domestic partner in acclimating to the host country, as well as possibly exploring employment if allowed by the host country's immigration laws, the University has contracted with a spousal assistance provider. Information regarding these services will be provided during the pre-assignment orientation.

ON ASSIGNMENT PHASE

18. Global Assignment Cost-of-Living Allowance (“COLA”)

The cost-of-living allowance is an allowance paid to offset the higher costs of “goods and services,” if any, in the host location, compared with those incurred in the home country. The differential is not intended to compensate for the total cost of living in the host country, but for the difference between home-and-host costs. The differential is calculated by comparing the relative costs of a standard “market basket” of goods and services in the home country and the host country.

A global compensation data provider has been retained by the University to provide information on spending patterns and cost-of-living for both home and assignment locations.

The global compensation data provider examines expenditures in a broad range of categories (both at home and away from home), including food, clothing, recreation, entertainment, household items, personal care, domestic help, transportation, and others. Items such as charitable contributions, savings, and investments are not included in the cost-of-living studies. Items such as education, housing, and taxes also are not factored into this expenditure analysis, but often are addressed separately in other parts of the global assignment policy. COLA is calculated on base salary only. Base salary for the purposes of this calculation is capped at prevailing standards.

The Global Assignment COLA for Faculty Members and Administrators is updated twice each year, as well as when there is a change in base salary, there are qualifying family size changes or a change in location.

The Global Assignment COLA is paid as part of the normal pay cycle. COLA payments begin at the conclusion of the temporary living period, (refer to “Temporary Living”, Section 13) and continue throughout the assignment, including periods of temporary absence from the host country for reasons such as business travel and vacation (refer to “Vacation and Public Holidays”, Section 24). COLA payments are noted on the Faculty member's and Administrator's NYU paystub.

19. Host-Country Housing

It is the University's intent that Faculty Member and Administrator live in secure accommodations in the host country taking into account availability, compensation level, and family size. If available, it may be the University's preference that the Faculty Member or Administrator live in NYU housing. Faculty Members and Administrators should note that the type and quality of housing varies from country to country and they are unlikely to replicate the style and size of accommodation that was occupied in the home country.

Housing Allowance

If University housing is unavailable, then a housing allowance will be provided. The housing benefit is designed to provide Faculty Members and Administrators with the amount necessary to secure rental housing in the host country. In determining the appropriate expenditure guideline, the University takes into consideration salary and qualifying family size, as well as the availability and cost of appropriate housing in the host location. This guideline is determined according to data supplied by a University-designated global data provider.

Rental Lease Arrangements

The method of paying the housing allowance will depend on the host country and applicable tax and other considerations and will be explained during the pre-assignment orientation for the Faculty Member or Administrator. In some cases, the University is the lessee and pays the rent directly to the landlord. In other instances, the Faculty Member or Administrator may be the lessee and will receive the housing allowance in his/her monthly pay. In either case, the Faculty Member or Administrator is responsible for compliance with all of the terms and conditions of the lease.

Purchasing Accommodation

In general, Faculty Members and Administrators do not purchase a home in the host country. If a Faculty Member or Administrator chooses to buy a home, the University will not provide any assistance with respect to the purchase of the home, including but not limited to the following: closing costs, selling costs, loss-on-sale, or taxes incurred, either when the home is purchased or sold upon return to the home country.

In addition, if a Faculty Member or Administrator purchases a home in the host location and was receiving a housing allowance, the housing allowance will cease upon purchase.

20. Host-Country Transportation

Provision of assistance for personal transportation in the host country will depend on local conditions and practices.

21. Children's Educational Assistance

Pre-school/Primary/Secondary Schooling

If local schooling in the host country is not available, the University may provide/reimburse the cost of international schooling. International schooling may be provided for pre-school, kindergarten, elementary and secondary levels for each eligible child. Expenses related to tuition, transportation to and from school, books, uniforms, and related fees (e.g., application fees, etc.) may be reimbursed for each eligible child. The costs of field trips, sports participation, extracurricular activities, and/or recreational activities will not be reimbursed.

Tertiary Education

The University's policy on tertiary education remains in effect during the global assignment. Faculty members should refer to NYU's Tuition Remission Benefit Plan for Dependent Children.

22. Home Leave

Reimbursement of appropriate home leave travel expenses is designed to give the Faculty member and or Administrator and accompanying qualifying family the opportunity to renew ties with family, friends, and work associates in the home country and to stay informed of the economic, political, cultural and social trends there. As such, starting after completion of the first semester on assignment, the University may provide the Faculty member or Administrator with one home trip a year to the **home country** to maintain his/her ties in the home country.

23. Tax Return Preparation Assistance / Tax Protection Policy

Each Faculty member and Administrator is responsible for complying with all requirements regarding personal tax filings and payments to each taxing authority to which any such requirements exist.

Please refer to the applicable tax policy for more information on tax reimbursement methodology and services offered.

24. Administrator Vacation, Public Holidays, and Working Schedule

During the global assignment, an Administrator's vacation eligibility will be in accordance with the vacation policy of the University. Public holidays and work schedule will be that of the host country.

<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/vacation.html>

END OF ASSIGNMENT

25. Repatriation

Upon the successful completion of assignments, some of the functional processes for relocation are applicable in reverse, as outlined in the Section: "Preparation for Global Assignment and Relocation Phase". That is, the University will:

- Pay for the shipping of household goods and temporary living expenses, and provide a miscellaneous relocation allowance and other relocation-related benefits as described earlier in this Policy; and
- Discontinue global assignment allowances and premiums from the effective transfer date.

26. Localization

Faculty Members

Requests from Faculty to localize will be handled on a case-by-case basis.

Administrators

At the end of the assignment terms, Administrators may elect to localize or return to their home countries/departments to their previous roles or other roles within the University at a comparable level, as may be specified in their Assignment Letter. Requests for extensions of Administrator assignments past three years should be considered only in very rare instances where the skills of the assignee are critical to the institution and where they cannot be found in the local market. In these instances, an extension of up to one year may be granted with the approval of (1) home country leadership, (2) host country leadership, and (3) assignee.

Immigration

Before NYU and the Faculty Member or Administrator agree upon localization, careful consideration must be given to the ability of the Faculty Member or Administrator to obtain “permanent working and residence rights” in the host country. Such rights are preferably secured prior to the change of status but might, in certain circumstances, based on the immigration regulations of the host country, be acquired after the change.

It is important to note that if the Faculty Member or Administrator localizes and the University assists with obtaining the immigration work visas and residence permits, the University is not responsible for any tax obligations that may arise as a result of the Faculty Member’s or Administrator’s decision to become a permanent resident in the host country.

Additional Benefits

For non-repatriating Faculty Members and Administrators, recognizing that the global assignment has effectively been changed into a permanent relocation, NYU may provide the following additional benefits:

- A roundtrip travel to the home country for the Faculty Member or Administrator and accompanying qualifying family to gather additional items prior to permanently relocating. Reasonable costs of round-trip economy class airfare, lodging, meals, transportation and incidentals may be reimbursed based on the NYU travel parameters. Faculty members and Administrators may be provided with up to five days paid leave

(in addition to travel time) and NYU may reimburse lodging, meals, transportation and incidental expenses in the home country for up to nine days; and,

- An additional “shipment of household goods” benefit to complete the shipment of remaining personal items and goods to the home country.

27. Sequential Assignment

If a Faculty Member or Administrator, instead of repatriating to the home country, accepts another global assignment to a different host country, then he/she would receive new assignment benefits based on the new host country, as if he/she were sent from his/her home country. Additional benefits may be granted at NYU’s discretion, such as:

- Shipment of goods from old host country to either the new host country or back to the home country, and from the home country to the new host country; and,
- Travel to the home country to gather additional items prior to relocating to the new host country.

28. Resignation and Termination

Should a Faculty Member or Administrator resign from his/her employment with the University or be terminated, the employee’s rights to any benefits associated with the global assignment are immediately voided. However, the University will cover the expenses to repatriate the employee back to the point of origin to the extent required by local law and may cover the expenses to repatriate the employee back to the point of origin if the assignee executes a release in form and substance satisfactory to the University.

To be eligible to receive the benefits outlined above, relocation to the home country must occur within a period of 30 days (or less if required by local law) after the effective date of termination of employment (and the signing of a release in form and substance satisfactory to the University to the extent benefits are in excess of those required by local law). Should a Faculty Member or Administrator choose not to exercise the option of transportation and moving expense outlined above, no substitute payment will be made, nor extensions authorized. In addition, if the Faculty Member or Administrator voluntarily terminates employment prior to the completion of one full year following the start of the global assignment, he/she will be responsible for reimbursing the University for a prorated amount of all relocation expenditures paid or reimbursed by the University, as outlined in this Policy. The reimbursement will become immediately due upon voluntary termination.

Policy Definitions

Assignment-Related Benefits: A general term covering all elements of remuneration provided in connection with a temporary transfer across national borders.

Cost-of-Living Index: A ratio of costs of goods and services in the **home country** compared to the **host country** (generally provided by outside vendors) used in calculating the **cost-of-living allowance**. It incorporates differences among nationalities with regard to spending and purchasing patterns.

Cost-of-Living: The aggregate of goods and services prices for a specific “market basket” of items that enables comparisons among locations.

Cost-of-Living-Allowance (COLA): A differential payment to the expatriate to address differences in purchasing power between home and host countries. It is usually derived by applying a **cost-of-living index** to a Faculty Member or Administrator’s **home country** Spendable Income.

Cultural Orientation: Education in the customs, practices and/or languages of the **host country** for the expatriate and/or accompanying qualifying family to familiarize them with the new environment in which they will live and work during the **global assignment** most often provided by a third-party vendor.

Destination Services: Assistance provided to the expatriate and qualifying family upon arrival in the **host country** to help them settle into their new surroundings. Usually includes assistance in finding a residence, arranging schooling for dependent children, and guidance regarding shopping, transportation and drivers’ licenses. Most often provided by a third-party vendor.

Home Country: The location where the expatriate worked prior to the **global assignment**, and to where it is intended he/she will repatriate at the end of the assignment(s). The home country may or may not be the **expatriate**’s country of citizenship or residence.

Home Leave: A benefit provided to the **expatriate** and qualifying family to enable them to travel to the **home country** in order for them to maintain ties with colleagues, friends, and family at home.

Host country: Location across national borders to which the **expatriate** is temporarily sent to work from the **home country**.

Local hire / employee: A person directly hired and working for the organization in their **home country** without any **assignment-related benefits** and is, therefore, not categorized as an expatriate.

Localization/Localizing: The transitioning of an **expatriate** to an employment status/package in the **host country** equivalent to that of **host country** nationals. The length of transition may vary among different organizations and industries.

Long-Term Assignment: A temporary transfer across national borders (e.g., from one portal campus to another), normally lasting between one and five years, though it may be extended.

Per Diem: A cash payment to an employee to cover certain temporary living expenses, usually meals, hotel, and incidental expenses, expressed as a daily rate. When delivered at a government-determined rate to cover business travel expense, can often be tax-free.

Permanent Transfer: A one-way transfer across national borders. The individual is normally considered to be an employee of the **host country** entity, severing ties with the home country entity, and is often only provided relocation and limited transition benefits

Pre-Assignment Visit/Trip: A trip to the **host country** for the **expatriate** (and possibly other accompanying qualifying family members) prior to the start of the assignment, to make certain arrangements and view the possible new surroundings.

Pre-Assignment/Pre-Departure: The period of time after a candidate for assignment has been identified, but prior to his/her departure from the **home country**.

Miscellaneous Relocation Allowance: A **lump sum** cash payment to the **expatriate** to cover the cost of incidental expenses not specifically covered by other aspects of the University's **global assignment policy**.

Repatriation: The return of the **expatriate** to the **home country** at the completion of the assignment.

Salary Cap: An upper limit or ceiling, usually expressed in terms of annual base salary to be used in the determination of allowances, or a limitation on the maximum value of an allowance.

Short-Term Assignment: A temporary transfer across national borders that generally lasts more than three months and less than a year (e.g., an academic semester).

Spendable Income: The portion of base salary that normally is devoted to the purchase of goods and services (e.g., food, clothing, entertainment, medical care). This amount is not a fixed percentage of base salary; rather, it varies according to nationality, income level, and qualifying **family size**.

Spouse / Domestic Partner Assistance: Assistance to recognize that spouses who accompany employees on global assignments may experience a disruption in their careers or self-improvement pursuits. May include job search, personal development or other assistance.

Tax Orientations: A meeting or discussion between the **expatriate** and a tax service professional to discuss the income and social tax implications of the assignment for both the **home country** and the **host country**.

Tax Gross-Up: A mathematical calculation to determine the final obligation to the taxing authorities when the company pays a tax liability on behalf of the **expatriate**.

Tax Preparation: Services of a tax professional to prepare the **expatriate's home country** and/or **host country** tax returns.

Tax Protection/Protect: A compensation methodology for calculating the **expatriate's** share of their worldwide tax burden by attempting to ensure that the employee is financially "no worse off" than he/she would have been had the assignment not taken place.

Tax Reimbursement Calculation: The reconciliation of the **expatriate's** tax contribution (via a **hypothetical/tax norm**) versus his/her obligation as defined by the tax reimbursement methodology.

Tax Reimbursement Methodology: The compensation philosophy used to calculate the **expatriate**'s share of their worldwide tax burden (e.g., **tax protection**).

Temporary Living: The period of time between the **expatriate** leaving permanent accommodation in the **home country** and moving into permanent accommodation in the **host country**, which is limited to 60 days.

Related Policies

N/A

APPENDICES

A. Shipment of Household Goods — Limitations & Exclusions

Shipment

	Air Freight	Surface Freight*
Single Faculty member and or Administrator	300 lbs	20 ft container
Accompanied Faculty member and or - Administrator	200 lbs for each dependent	20 ft container or 40 ft container upon University approval

* This benefit assumes that the Faculty member or Administrator is moving into unfurnished housing. A 20- foot sea shipment container has an approximate 6,800 lb capacity.

Insurance Coverage

The University will cover insurance up to USD 100,000 on the reasonable and customary shipment within the shipping limits described in this policy and/or imposed by the host country laws.

However, customs duties assessed on items with excessive import duties such as furs, cameras, stereo equipment, etc. are the responsibility of the individual Faculty member or Administrator’s responsibility and fall outside the scope of the USD 100,000 coverage provided.

Items Excluded from Shipping

The following items (and other items prohibited by applicable law) cannot be shipped with any items for which the University is paying shipment costs:

- Flammable items such as paints, varnishes, aerosol cans, combustible liquids, corrosives, and explosives;
- Liquid propane tanks, and scuba tanks;
- Ammunition, firearms and fireworks; and
- Illegal substances.

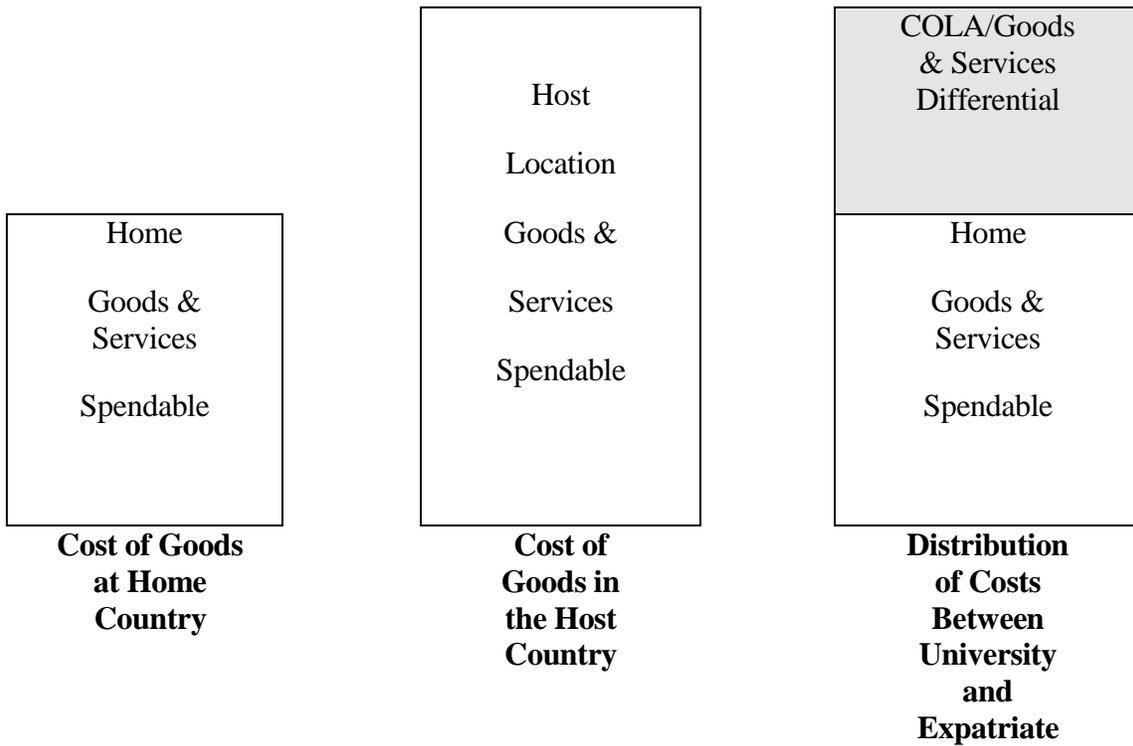
Items Excluded from Shipping at the University’s Expense

If the Faculty member or Administrator wishes to ship any of the following items, all charges and expenses related to their packing, transfer, freight, storage, and customs clearance would be borne by the Faculty member or Administrator. The University will not accept any loss or damage claims for such items. In addition, this is not an all-inclusive list, as there may be additions based on applicable laws and policies:

- Automobiles, motorcycles, recreational vehicles, airplanes and gliders, boats, boat kits, inboard marine engines outboard motors, and wind-surfers, and related automotive equipment;

- Riding mowers and tractors;
- Food stuff and drinking alcohol;
- Bulky/heavy low value to weight ratio items such as cordwood, brick, sand, lumber and other building materials, and utility sheds;
- Wood working shop equipment or other hobby equipment of similar nature;
- Swing set, climbing gym, playhouse, and fort;
- Satellite television/radio receiving discs/dishes, and related equipment;
- Hot tubs, spas, whirlpool baths, and saunas;
- Animals (including domestic pets);
- Major household appliances (e.g., refrigerators, freezers, stoves, washers, and dryers);
- Antiques, collector's items, pianos, and valuable works of art;
- Any item intended for resale or private business use; and
- Personal and household effects, furniture or other articles not for the personal use of the Faculty member or Administrator and their accompanying qualifying family members.

B. COST OF LIVING ALLOWANCE



Expatriate Portion of Goods & Services Costs

Home country location goods & services spendable is the portion of base salary that an expatriate would typically spend for goods and services in the headquarters country. This amount varies according to base salary and qualifying family size. While on assignment, it is assumed that the expatriate would continue to spend this amount toward the purchase of goods and services.

University Portion of Goods & Services Costs

Host location goods & services spendable represent the cost of a similar basket of goods in the assignment location. The University will provide a Cost-of-Living Allowance (COLA) that represents the difference between the host location goods & services spendable and the home location goods and services spendable.

An example of the COLA (goods and services differential) calculation is presented below. For simplicity, we have assumed that the basket of goods includes only a suit and changes are due to currency movement only. If the cost of a suit in the US is \$300 and the cost in the assignment location is €1,000 the COLA would be calculated and would fluctuate as follows:

Exchange Rate per \$	1.10	2.10	.80
Host Price of Suit in €	1,000.00	1,000.00	1,000.00
Host Price of Suit in \$'s	909.09	476.19	1,250.00
Home Price of Suit	<u>(300.00)</u>	<u>(300.00)</u>	<u>(300.00)</u>
COLA in \$'s	609.09	176.19	950.00

Under each circumstance the Expatriate's contribution (\$300) and the amount protected by the University (€1,000) remains fixed. In each case, the expatriate will be spending \$300 toward the suit and the University will make up the difference. The University's portion of the cost (the COLA/G&S Differential) fluctuates to provide the difference between these figures. Even if the differential becomes negative the expatriate will still be able to purchase the suit, as fewer dollars are needed to purchase €1,000 at the new rate of exchange.