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Partners on the Move

Providing relocation benefits to employees' nonspouse partners can make transfers more attractive.

By [Lin Gensing-Pophal](#)

In 2002, Ann Smith's boyfriend had an offer from his employer, May Department Stores, to transfer from Portland, Ore., to St. Louis. He wanted to go, and Smith planned to make the move too.

Although it was a given that Smith's boyfriend would have help relocating, it wasn't clear to her if his employer would include her in its relocation plans. After all, she wasn't a legal dependent.

Company officials surprised—and impressed—Smith and her boyfriend by paying to fly them both to St. Louis to search for a place to live and by footing the bill for their hotel and rental car.

When moving day arrived, the movers went to both Smith's boyfriend's apartment and to her apartment as well. "They took care of everything," Smith says. "We shipped out one car, actually my car, and they took that with no questions."

Smith's boyfriend became her husband, and May Department Stores is now owned by Federated Department Stores Inc., but one thing hasn't changed: the couple's good will toward the employer that covered a "nonspouse" partner in its relocation plans. That experience, Smith says, "certainly gave the impression to us that they were serious about wanting him and valuing him as an employee."

Widening the Net

Employers are increasingly willing to offer relocation benefits that cover nonspouse partners of either sex, or dependents who are members of an employee's extended family, according to relocation consultants.

Such benefits might include sending partners or extended family members on exploratory trips to the new location, moving their possessions, and offering career counseling and help in finding jobs.

There are two principal reasons that employers may try to accommodate the needs of relocating employees' nonspouse partners: to help persuade employees to accept a relocation offer, and to keep company policies on relocation benefits consistent with policies on offering other benefits to employees' "significant others" or other nondependents.

"Domestic partners and their inclusion in corporate benefit programs continue to be discussed, and relocation policies are no exception," says Kathy Trachta, director of global relocation consulting for Paragon Relocation Resources in Rancho Santa Margarita, Calif.

It's common practice for employers to have "mobility policies" that apply in the same way other benefits do, Trachta says. For instance, if a domestic partner or other person is covered by the employer's medical insurance, that person likely would be covered by the employer's relocation policy as well.

"For relocation, benefits are typically extended to family members that are considered a tax dependent on the employee's IRS Form 1040," says Trachta. But she adds that it's "not uncommon" for employers to pay to ship the household goods of someone who lives with the employee but isn't the employee's legal dependent.

"Fewer organizations are specifying 'spouse' in their policies," says Ann Dittman, director of business development for The Relocation Center, a Milwaukee firm that works with both employers and transferring employees. Corporate officials "will say that as long as you are responsible and can count those people on your taxes, then they are part of your household and generally they will move them."

Pluses on All Sides

Advantages for employers in offering nonspouse relocation benefits go beyond inducement to relocate and consistency of benefits, experts add. For example, they can be a carrot to attract recruits, says **Tom Darrow, principal of Talent Connections LLC** in Atlanta. And, he adds, benefits that help the partner also help the relocated employee or the recruit get settled faster and focus on the job sooner.

In addition, offering nonspouse relocation benefits can be a boost for retention, says career management consultant Tamara O'Neill. Her Atlanta-based firm, Careers on Course, specializes in career transition assistance, and she's seeing an increase in clients who are nonspouse partners.

Although employers cut back on some relocation benefits during the economic downturn following the 2001 terrorist attacks, O'Neill says, "now that the job market is tightening, I'm seeing relocation benefits again." She adds, "Providing the benefit of career transition to significant others" has the effect of "sweetening the pot" for employees or recruits.

Of course, employers are free to say no when employees request nonspouse benefits, Dittman notes, but by saying yes they may gain employee loyalty. "You have to be a very employee-focused organization" to offer such benefits, she says. She sees nonspouse relocation benefits offered more in international relocations than in domestic ones.

Conditions Abroad

Perhaps because of the challenge of getting employees to accept global transfers, international relocation is an area where benefits for nonspouse partners appear to be growing significantly. In the 2006 Global Assignment Policies and Practices Survey by KPMG, an international audit, tax and advisory firm, results showed that in international relocations, 52 percent of companies that responded said they provide assistance for domestic partners or companions of opposite gender, and 43 percent said they provide such benefits for partners or companions of the same gender. Those figures are up from 24 percent and 17 percent, respectively, in 1999.

Those increases amount to "one of the most significant changes I've observed over the last seven to eight years," says Achim Mossmann, New York-based national director of global mobility advisory services, in the international executive services practice of KPMG.

ORC Worldwide, a New York-based global HR management and consulting company, has found a "steady trend toward recognizing partners who are not legal spouses, and particularly a trend toward recognizing same-sex partners," says Geoff Latta, executive vice president. "That's certainly true in the Americas and true in Europe too, just further along in Europe."

KPMG found that 74 percent of European-headquartered companies include unmarried domestic partners of the opposite sex in their relocation benefits, while only 36 percent of U.S.-based companies do, Mossmann says. Regarding unmarried domestic partners of the same sex, 51 percent of European companies include them in relocation benefits, while 36 percent of U.S. companies include them, he says.

Family concerns—whatever the makeup of the family—constituted the No. 1 reason for employee refusal of international relocations, according to the 2006 Global Relocation Trends Survey, issued jointly by GMAC Global Relocation Services and the National Foreign Trade Council.

The No. 2 reason for refusing an international relocation was the impact on a spouse's career. And while the survey found that more spouses and partners were employed during international assignments than in years past, "spouse or partner dissatisfaction with lack of employment" still ranked high among the reasons international relocations failed.

Both Latta and Mossmann raise a red flag for international employers, however: Immigration laws in certain countries affect the ability of a nonspouse partner to accompany the employee to the new location. "Very few countries extend immigration rights to nonmarried couples, so even with all the best intentions, companies will face regulatory problems that are difficult to overcome," Mossmann says.

Nonetheless, Mossmann notes, the ability of an employee to be accompanied to the new location by his or her significant other has a major impact on the success of the transfer. "It's recognized that having family support and especially partner support is one of the crucial factors for assignment success," he says.

Give Managers Leeway

Decisions about whether to provide benefits to nonspouse partners and the extent of those benefits vary from one company to another and even from one relocation to another. Many times, questions of what to provide come down to "it depends."

Trachta notes, for example, that there are situations in which both the relocating employee and the employee's partner work for the same organization. The question for the employer, she says, is whether to provide relocation assistance to the partner or to try to find the partner a job with the company at the new location. If the employer finds the partner a job within the organization, it's most common for relocation benefits to apply to only one of the employees, not both—though both end up getting moved by the employer, as a couple.

Relocation specialists' suggestions on handling nonspouse relocation benefits include tailoring benefits to meet the employee's and partner's particular needs; offering a flat dollar amount to all relocating employees, to spend as needed; and keeping relocation policies flexible so that managers and HR professionals can do whatever is needed to help employees transfer.

Dittman advises, “Listen to your employees—and listen and listen and listen.” Employees and their partners may need something different from what’s on the employer’s official list of relocation help.

Dittman points out that it’s often possible to make trade-offs in benefits provided, based on individual needs. For example, the transferee’s partner may not need career coaching or assistance in finding a job, but may want the employer to help move personal items or assist with finding child care at the new location.

Some employers, however, might want to avoid making special arrangements for individual cases. “A struggle that a company and HR always has is, ‘How much do we get involved in the personal lives of our employees?’ ” says Darrow.

One solution: Offer signing bonuses or lump-sum relocation packages. Darrow says a company may want to tell the employee, “ ‘Here’s \$5,000. You do whatever you want with that.’ That way, a company, over time and over multitudes of candidates, can be fairly consistent. There are so many unique needs out there that it’s hard to meet those unique needs and at the same time be fair and consistent with everyone. That’s why, personally, I love the flat-fee model.”

Mossmann says flat fees are popular with employers. In addition, he says, there is usually a certain amount of flexibility within policies. “Companies will make a general statement that defines the family and then outline the general kinds of benefits provided to the accompanying partner. You do see some flexibility there.”

Mossmann advises leaving policies general to allow flexibility, which is a plus for program managers. “Quite frankly, on a day-to-day basis, this is an area where program administrators take some liberty to accomplish whatever is possible. So you’ll see program managers making judgment decisions about what’s possible, but within the realm of policy.”

Lin Gensing-Pophal, SPHR, is a Wisconsin-based business journalist with HR consulting experience in employee communication, training and management issues. She is the author of Human Resource Essentials: Your Guide to Starting and Running the HR Function (SHRM, 2002).