

TOTAL COST ESTIMATE REPORTS

ACCURATELY PROJECT INTERNATIONAL ASSIGNMENT COSTS AND TAXES

EXPATRIATE ASSIGNMENTS ARE EXPENSIVE. BUT JUST HOW MUCH DO THEY REALLY COST?

International assignments are a significant component of the total cost of your global business strategy. As a strategic partner, having an accurate estimate is vital for HR when submitting a budget to management.

Calculating the estimated cost of expatriation will help you determine whether an assignment is financially viable, and lead to cost savings for your company.

Mercer's new Total Cost Estimate Reports provide you with accurate, detailed international assignment cost projections, using the AssignmentPro™ tool, under a licensing agreement with Equus. Cost projections can be calculated for a variety of assignment types, length, and locations, quickly giving you a complete picture of total assignment costs.

ADVANTAGES OF COST PROJECTIONS

- Strategic planning
- Budgeting
- Determine opportunities for cost-cutting
- Eliminate surprises
- Consider opportunities for less expensive alternatives – such as short-term assignments or hiring local nationals
- Comparative cost modeling
- Management buy-in on policy changes

COST PROJECTION COMPONENTS

- All compensation-related elements
- Relocation costs (using either company-specific data or Mercer standard assumptions)
- Estimated worldwide tax and social security liability



- Assignment costs by year and in total
- Incremental assignment costs
- Detailed breakdown of compensation, relocation expenses, and taxes
- Reports that are delivered in home or host currency, or in US dollars

Simplify your planning with accurate, transparent, detailed assignment cost projections.

To order a Total Cost Estimate Report, contact your consultant or mobility@mercer.com.

imercer.com/totalcosts

SAMPLE TOTAL COST ESTIMATE REPORT

<i>Sydney to Singapore – Family of 4 (All amounts in AUD)</i>				
	Year 1	Year 2	Year 3	Total
Year	2016	2017	2018	
Months in Year	12	12	12	
Compensation				
Annual Base Salary	200,000	208,000	216,320	624,320
Compensation Total	200,000	208,000	216,320	624,320
Relocation Costs Expat				
Misc. Relocation Allowance	13,031	0	0	13,031
Pre-Assignment Visit	15,604	0	0	15,604
Immigration/Visas	6,516	0	0	6,516
Destination Services	7,297	0	0	7,297
Cultural Training	7,688	0	0	7,688
Household Goods Shipment	31,652	0	0	31,652
Expatriation				
Temp Living - Expatriation	13,675	0	0	13,675
Relocation Flight - Expatriation	17,837	0	0	17,837
Relocation Costs Expat Total	113,300	0	0	113,300
On-Going Allowances				
Cost of Living Allowance (COLA)	23,833	24,786	25,778	74,397
Housing Allowance	193,087	200,810	208,843	602,740
Host Utilities Amount	16,942	17,620	18,324	52,886
Home Housing Norm	-22,058	-22,940	-23,858	-68,856
Transportation Allowance	38,565	40,108	41,712	120,385
Dependent Education Expenses	52,124	54,209	56,377	162,710
Home Leave	7,016	7,297	7,589	21,902
Household Goods Storage	7,428	7,725	8,034	23,187
Tax Preparation	11,076	11,519	11,980	34,575
Other Taxable Payments	16,289	16,941	17,618	50,848
Other Taxable Payments 2	3,909	4,065	4,228	12,202
On-Going Allowances Total	348,211	362,140	376,625	1,086,976
Relocation Costs Repat				
Household Goods Shipment	0	0	35,605	35,605
Repatriation				
Misc. Relocation Allowance - Repatriation	0	0	6,516	6,516
Temp Living - Repatriation	0	0	11,850	11,850
Relocation Flight - Repatriation	0	0	20,064	20,064
Relocation Costs Repat Total	0	0	74,035	74,035
Tax Costs				
Home Country Income Tax	206,920	204,729	225,057	636,706
Home Country Social Tax	17,201	16,630	18,337	52,168
Home Country Employer Portion Social Tax	19,308	19,308	19,308	57,924
Host Country Income Tax	167,242	156,017	175,815	499,074
Employer Social Tax on Hypothetical Income	-19,000	-19,308	-19,308	-57,616
Home Country Employer Fringe Benefit Tax (FBT)	28,870	31,361	50,222	110,453
Hypothetical Tax				
Home Country Hypothetical Income Tax	-63,946	-67,706	-71,616	-203,268
Home Country Hypothetical Social Tax	-4,000	-4,160	-4,326	-12,486
Hypothetical Tax Total	-67,946	-71,866	-75,942	-215,754
Tax Costs Total	352,595	336,871	393,489	1,082,955
Total Costs	1,014,106	907,011	1,060,469	2,981,586