Relocation Policy Types at a Glance

Policy Type†	Definition	Average Cost to Company to Administer	Pros	Cons
Cash Lump Sum	Cash in a pre-determined amount is paid directly to the employee to manage their own move	$-$$	• Simple to administer • Low cost • High employee value proposition for those who prefer to handle most of the move themselves or who can retain any unused funds	• Duty of care issues • Potential for hidden costs in both time and money if things don't go well • Risk that employee doesn't receive all the support they require due to budgetary constraints • Risk of perceived inequity
Managed Cap	Employee has a cash or points budget to spend on relocation services through trusted providers	$$ - $$$	• Simple to administer • Relatively low cost • Addresses duty of care issues • Employee choice provides relatively high value proposition • Can leverage cutting-edge technology and the power of the crowd	• Potential for 'buyer's remorse' if employee-selected services don't meet expectations • Risk that employee doesn't receive all the support they require due to budgetary constraints • Risk of perceived inequity
Core/Flex	Closer to a traditional assignment / relocation policy with options to provide greater or lesser support.	$$ - $$$$	• Provides the business with greater control over spend and customization for the individual • Provides opportunity for greater employee value proposition	• Greater administrative complexity • Risk that employee doesn't receive all the support they require due to budgetary constraints • Risk of perceived inequity
Hybrid	Brings together multiple flexible elements to form a bespoke solution	$$$ - $$$$$	• Tailored to meet the culture and strategy of the business	• Potential for greater administrative complexity • Pioneers have no benchmark

†Assumption that compliance services are provided as standard for each policy type

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