



# EY PEOPLE ADVISORY SERVICES: CHALLENGES OF ENABLING GLOBAL MOBILITY (A)

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**DEBOLINA DUTTA**

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Debolina Dutta, Professor of Practice, OB & HR, IIM Bangalore prepared this case for classroom discussion. Ernst & Young (EY) cooperated and provided information to the Indian Institute of Management Bangalore in connection with the preparation of this case and it was reviewed and approved before publication by a company designate. No funding was sought or received from EY for the development of this case. This case was also developed from available and permitted sources of information. This case is not intended to serve as an endorsement, source of primary data, or to show effective or inefficient handling of decision or business processes. The support and help provided by Amarpal Singh Chadha, Sreenivasulu Reddy, and Ammu Sadanandhan of EY are gratefully acknowledged.

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Amarpal Singh Chadha, Tax Partner, People Advisory Services (PAS) at Ernst & Young (EY), steeped his fingers in front of his face and cupped his chin with his thumbs. Sreenivasulu Reddy, Director, PAS, and Ammu Sadanandhan, Senior Manager, PAS, had just finished their weekly presentation of recommendations for global mobility compensations requested by EY's India clients. As was his practice, Chadha vetted these recommendations before the final recommendation was sent to the client, which was due at the end of March 2019. Pensively looking over his fingers, Chadha addressed the team, who waited silently for his feedback.

Did you know that migration of birds happens for pretty much the same reasons as those of the people in our global mobility cases? It's seasonal, in response to environmental conditions, follows different patterns and/or timings, and generally involves high exertion and stress levels. Our job is to facilitate this mobility for our clients' employees to benefit both the client and employee and reduce stress and risk for all. How would you explain the proposed compensation to both these sets of stakeholders for these four cases? Is this a win-win which leaves no buyers' remorse<sup>1</sup> for the employees, who, in most cases, are high potential employees (HiPOs) of the organization? Please re-think these recommendations and see if we can present some better options for our clients.

Reddy glanced over at Sadanandhan, who looked a bit despondent, and said:

We'll think of a couple of other options for these cases and prepare the recommendations in line with the overall budgets shared by the clients. We should have this ready in the next couple of days. Can we meet this coming Friday for you to review the same? That way, we will have all of the proposals ready for our clients before the Dussehra-Diwali season here in India and before the Thanksgiving and year-end holidays commence overseas.

### EY PEOPLE ADVISORY SERVICES

EY,<sup>2</sup> a global consortium of firms, offered advisory, taxation, and audit services across all industries and countries. The world continued to be impacted by globalization, demographics, technology, innovation, and regulation, requiring organizations to adapt quickly and build agile people cultures that responded to these disruptive forces.

The changes made it harder to source, manage, motivate, and retain talent while controlling costs. The EY PAS team believed in building a better working world and helped clients harness their people's agenda – identifying the right people, with the right capabilities, in the right place, for the right cost, while doing the right things.

Within EY, the PAS team specialized in complex people-related organizational, behavioral, and compliance challenges. With a global workforce of over 13,000 dedicated tax, HR, and immigration professionals across 130 countries, the PAS team contributed to the business strategy by enabling talent deployment based on the business objectives. The team's work had received industry recognition, winning the APAC Immigration Service Provider award in 2017 and EMEA Immigration Services Provider award<sup>3</sup> in 2017, 2018, and 2019. The EY PAS team delivered a suite of services and offerings focused on their clients' people's agenda. The PAS team worked globally and collaborated to bring professional teams to address complex issues relating to organization transformation, end-to-end employee lifecycles, effective talent deployment, mobility, and gained value from the evolving virtual workforces and the changing role of HR in support of the business strategy. The team also focused on HR transformation, encompassing people and strategy, organization design, shared services and outsourcing, enabling technology, automation and data analytics, and change management initiatives. They also provided companies advice on performance and reward programs and provided end-to-end managed services for international

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<sup>1</sup> Buyer's remorse is the psychological state of cognitive dissonance associated with a feeling of regret after making a decision or a choice.

<sup>2</sup> <https://www.ey.com/> last accessed on August 30, 2020.

<sup>3</sup> <https://www.forum-expat-management.com/posts/56647-meet-the-winners-of-the-2019-emea-emas> last accessed on August 30, 2020

assignment programs. PAS's services included the payroll and administration services, including setting up HR and payroll processes, HR records management, and payroll advisory services.

The PAS team enabled effective global mobility of clients' employees, both domestic and international, while ensuring compliance with all tax requirements for employees and the company and minimal cost incurrence. The services offered encompassed structuring of the global assignment per local legislation and jurisdiction, assignment administration and compliance, process risk assessments (analyzing the tax liabilities and risks for short-term travelers, managing the double taxation risk), advising on compliance and social insurance for mobility employees, and advising on global assignment policies. It also assisted with work permits and visas, immigration advisory in terms of options for hiring global labor, advised on changes in immigration legislation, and immigration audit to ensure accuracy and compliance with legislative requirements. The PAS services brought together the compliance and regulatory elements of mobility, using an integrated immigration and travel risk process through tax and compensation to social security, assignment services, and workflow. While industry trends (**Exhibit 1**) tended to influence how organizations implemented their expatriate and mobility instances, the context of each instance required specialized guidance from the PAS services experts.

Chadha had over 22 years of experience in PAS and was the India Mobility Leader for People Advisory Services of EY India based out of Bengaluru. With India leading the number of outbound assignees, and maximum assignees coming from the Indian IT companies to travel on short-term assignments, the team remained busy throughout the year. In most of the assignments, the host entity bore all the costs. This required the mobility team to carefully recommend appropriate assignment compensations, which, while meeting the budgets, complied with the local laws and did not increase the company's costs or the individuals' tax burden.

### Saurabh Sinha

As a senior software developer working with a leading IT services company headquartered in Bangalore, Saurabh Sinha was well regarded both by his managers and client partners. He had 4 years of total experience by May 2019, all of them with his current employer, whom he had joined directly from campus after completing his MCA. As a senior software developer, Sinha was selected to consolidate and expand the scope of work for a large digital transformational project with a leading pharmaceutical organization from May 2019. The assignment's budget, determined by margin considerations and billing rates agreed with the Canadian client, was \$81,500. The IT services company could recruit a local national in Canada, with permanent recruitment salary rates of \$75,000-100,000 per annum. This cost was likely to be 10-20% higher for a contingent hire. Canada also required all employees to be paid as per the province's minimum wages.<sup>4</sup> The IT services' client organization manufactured active pharmaceutical ingredients for human and veterinary applications. It was headquartered in Toronto, Canada, and Sinha's prior experience in a similar project with another pharmaceutical client was a critical factor while assessing his suitability for the role. Sinha had recently got engaged, but he deferred his marriage plans since his company informed him that he would need to be onsite for 9 months. The company had tied up with a local Canadian immigration services firm to arrange the visa and work permit. Sinha's organization had also appointed an agent in Canada to help him find accommodation in Toronto within defined rental limits, which the company would bear. To help him during the initial period, Sinha would also receive temporary furnished accommodation for 2 weeks. Including this, the immigration and support services cost, airfare, temporary accommodation, and host vendor services were expected to cost a total of \$3,400. The company policies for short-term assignments limited the housing and per diem allowance for Canada to \$150 per day.

Given his upcoming marriage, Sinha had requested for one home visit to be allowed. The company had agreed to one round-trip economy travel flight ticket within a budget of C\$2,500. The ticket costs would be paid by the company and could be availed anytime within the 9 months of deputation. However, the cost of the tickets would

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<sup>4</sup> <https://www.ontario.ca/document/your-guide-employment-standards-act-0/minimum-wage> last accessed on October 10, 2020

be taxable in the hands of the employee. Sinha was also eligible for additional health insurance coverage (C\$900) during his stay in Canada. The company had requested the PAS team for an appropriate compensation structure to be suggested for Sinha for his assignment, given his India compensation levels (**Exhibit 2**). A social security agreement<sup>5</sup> between India and Canada could be leveraged to reduce the otherwise mandatory social security costs (pension contribution), which formed part of an employee's remuneration.

### Ankush Khanna

Being promoted as Assistant Manager in April 2019, Ankush Khanna was a team leader with 7 years of experience at the same IT services firm that employed Sinha. Like Sinha, he too had joined the firm from campus after his BTech in Computer Engineering and was a peer to Sinha. While he had gone for short stints of a few weeks to a couple of months to the United States, for the first time, he was being deputed on a 16-month project for a financial services client based out of Luxembourg. The IT services firm had budgeted \$90,000 per annum for an onsite account manager. The salary range for a local hire was between \$70,000 and \$90,000 per annum, but this skill set was difficult to find in Luxembourg.

The IT services firm's talent management practice ran a "crucible program"<sup>6</sup> for developing potential talent within the organization. As part of this program, Khanna was identified for appropriate developmental interventions to groom him for higher organizational roles. With a strong technical background combined with an excellent executive presence and people skills, it was felt that he had the potential to take on roles in client management, pre-sales, and account management in the future. This assignment was designed to assess his performance in a relatively low-risk account, and his deputation was scheduled to start from April 2019.

Married and with a 3-year-old son, the couple juggled a fairly hectic work-life, with Khanna's spouse also working in another IT services firm. Their son had recently obtained admission into the Montessori program of a prestigious school, which had required an arduous grilling and interview process for both parents, apart from the steep admission fees. While Khanna's wife wanted to accompany him, her job and their son's recent admission prevented her from accompanying him. Given that the assignment tenure was for more than a year, the company policies allowed for spouse and family travel costs to be reimbursed for an up-and-down familiarization visit and a final relocation travel to the assignment destination. During his assignment period, Khanna would also be allowed one travel per financial year to his home country (India) within a cost of \$1000 per round trip, and the company would bear the cost of the flight tickets. The same would be taxable in the hands of the employee. Khanna and his wife had also recently bought their apartment in Hyderabad and had steep mortgage payments every month to finance the same. The company's health insurance plan allowed for parental coverage. Both Khanna and his wife had availed the coverage for their respective parents. Even with both working, Khanna's compensation (**Exhibit 3**) barely allowed for any savings.

The challenge for the PAS team was adhering to the assigned mobility budgets for this case. Luxembourg was the seventh most expensive country globally,<sup>7</sup> with the cost of living 256% higher and rent 918% higher than that of India<sup>8</sup> (**Exhibit 4**). The options were to base Khanna at adjacent countries of Belgium (at Arlon,<sup>9</sup> 38 km from Luxembourg) or Germany (at Trier,<sup>10</sup> 72 km from Luxembourg) and compensate for the daily commute. An annual traveling allowance of \$3000 and \$4500 would be provided for Arlon and Trier locations, respectively. The

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<sup>5</sup> [https://epfindia.gov.in/site\\_en/Operating\\_SSA.php](https://epfindia.gov.in/site_en/Operating_SSA.php) last accessed on September 26, 2020

<sup>6</sup> 'Crucible' refers to an intense, meaningful, and often transformational, experience that shakes and shapes your life. The Corporate Leadership Council (2012a) coined the term 'International Crucible Assignment' (ICA) and defined it as an expatriate experience that places leaders in challenging or unfamiliar situations and fast-moving environments (CLC Human Resources, 2012a).

<sup>7</sup> [https://www.numbeo.com/cost-of-living/rankings\\_by\\_country.jsp](https://www.numbeo.com/cost-of-living/rankings_by_country.jsp) last accessed on August 30, 2020

<sup>8</sup> [https://www.numbeo.com/cost-of-living/country\\_result.jsp?country=Luxembourg](https://www.numbeo.com/cost-of-living/country_result.jsp?country=Luxembourg) last accessed on August 30, 2020.

<sup>9</sup> <https://www.numbeo.com/cost-of-living/in/Arlon-Belgium> last accessed on October 10, 2020.

<sup>10</sup> <https://www.numbeo.com/cost-of-living/in/Trier-Germany> last accessed on October 10, 2020.

company had arranged for a certificate of coverage from India. Hence, no social security contributions were required to be made in Luxembourg. However, social security and other compliances were significant considerations in choosing the final location (**Exhibit 5**). Airfare, visa, and immigration were expected to cost approximately \$2150. Health insurance was expected to be an additional \$1030 annually.

The IT services organization's HR global mobility policies followed well-defined benefits to be accorded, which were aligned to the mobility type (**Exhibit 6**). For locations of Arlon, Trier, and Luxembourg, the per diem allowance was fixed at \$45, \$50, and \$56, respectively. Any unspent per diem claimed by the employee would be taxable in the hands of the employee. The company had rate contracts with various service apartments in all three countries, which cost approximately 80% of the on-going market rates.

Reddy and Sadanandhan had debated the various options available and the associated cost and tax implications. They decided to present all options to Chadha in the upcoming review.

### Neha Raj

Neha Raj was a 40-year-old Bachelor in Technology (B.Tech) and Master's in Business Administration (MBA) from one of India's top business schools. Raj was working as an Associate Vice President, Marketing with a leading nutrition, health, and wellness global MNC firm having a large presence in India and headquarters in Gurgaon, Haryana. She had over 14 years as a marketing expert and had worked in some of the most renowned FMCG firms in India. Recognized by the global talent team as a future global leader, Raj had been given an opportunity by her company to travel to Singapore on a long-term assignment of 2 years. Singapore's HR function had suggested an all-inclusive maximum budget of \$220,000 p.a. for this mobility, considering the employee parity and cost of living.

Raj's spouse and a 10-year-old child were also expected to accompany her for this assignment to Singapore. The company would bear the cost of their travel and relocation. Her spouse was working in India as an anesthesiologist at a leading hospital in Gurgaon. Though he planned to join Raj on a dependent visa, he hoped to find a suitable job in Singapore during their stay. Both Raj and her husband hoped to get their son admitted into an international school in Singapore. While in India, Raj had health coverage for her aged parents through her company policy. However, her parents refused to relocate with her to Singapore. Raj's compensation in India at the time of relocation was at the market median for her commensurate job role and scope (**Exhibit 7**). Also, Raj was on the global long-term incentive plan (LTIP) accorded to critical talent worldwide and had received employee stock options (ESOPs) of INR 2 million each in 2017 and 2018, which vested after a 3-year period. As part of the global incentive plan, she was now offered ESOPs for \$45,000 at the end of each year of her assignment, and the Singapore entity would bear the costs.

The MNC firm had a global arrangement with an immigration and relocation services firm, which arranged all the logistics of visas and work permits and facilitated the relocation, house search, and school admissions. The relocation cost, and assistance to settle in Singapore, were expected to cost around \$25,500, with the school admission costs to be borne by Raj. Having talked to a few of her friends and colleagues staying in Singapore, Raj realized that the local schools offering bilingual programs in Chinese and English might be more economical. However, the admission for the right local schools was hard to come by and determined by the Primary School Leaving Exams (PLSE) taken by students at the age of 12 years. The international schools were popular with parents who constituted the highly mobile expatriates working in top multinational firms. These were significantly costlier than the local school options. Talking about this opportunity and her concerns, Raj said:

I want to take up this assignment, as it is good for my career, and it will give me a good international experience. In all likelihood, I will move onto other global roles from there. I may consider coming back to India only if I get a senior P&L responsibility. However, the education costs are worrying me. We don't want to sacrifice the quality of life we are used to just to put our son in good schools. I hope the company takes up the education expense.

Before her final relocation to Singapore, Raj was allowed one visit to familiarize her with potential housing and school options, which would cost the company \$2150. Upon arrival, she and her family would be given a 1-month accommodation at a service apartment until her housing was finalized, and the company would bear the cost of this temporary accommodation. Additionally, a one-time lump sum furnishing and set-up allowance of approximately \$20,000 was given for all long-term assignments. Raj and her dependent family would also be eligible for an annual home country visit (economy class tickets) only if the compensation was structured as per the "home + host" model. For local compensation structures, no annual home country travel benefit was provided. All employees in Singapore were provided comprehensive social security benefits through the Central Provident Fund (CPF)<sup>11</sup> schemes (**Exhibit 8**). The various schemes of CPF supported Singapore residents with retirement benefits, housing support, investments, and health care. However, only permanent residents of Singapore could subscribe to the CPF schemes.

### Praveen Ray

Having worked in the R&D function of a leading pharmaceutical company in the United States for the last 8 years, Praveen Ray felt that he had still not acclimatized to the US culture. Based out of New Brunswick, NJ, Ray had a very comfortable lifestyle that an annual salary of \$165,000 afforded him. Ray felt that his two pre-teen children born in the United States were growing up with western values. He had aging parents in India who needed his support. Ray felt polarized between his professional growth opportunities and his value systems, which urged him to move back to India, look after his aged parents, and expose his children to the Indian culture. He had a total of 16 years of work experience and had got his green card within a few years of living in the United States. However, once his company opened a manufacturing unit in Pune, Maharashtra, and followed it up by establishing an R&D facility to leverage the wage arbitrage and talent availability, Ray felt this was his window of opportunity. He had put in his request to take up a senior researcher role in the India R&D facility. The market benchmark data of salary for this role in India ranged from INR 4.0 million to 7.5 million, with a median of INR 6 million (INR 70 = \$1). The HR head of the Indian entity at Pune was apprehensive about this repatriation:

With the last economic recession in the US and opportunities emerging with India's IT sector booming, we had seen some repatriation. However, there has been a reduction in expatriates' number coming to India on assignments in recent years. This is mostly due to the increasing cost of the assignment, especially the high tax and social security costs in India compared to many countries. With these employees being tax equalized, the cost to the employer ended up relatively high. Hence, in many instances, the expatriates are hired on local payroll and are not tax-equalized, thereby reducing the employers' cost. Personally, I would welcome global high-caliber talent, but it should not upset our budgets or our internal parity. At best, the repatriation should not exceed a budget of \$110,000.

As this would be a permanent transfer to the Indian entity, Ray would be treated similar to other Indian employees and accorded similar benefits. No additional benefits would be provided to him. The relocation airfare and immigration cost for him and his family would be treated as a business expenditure for the company and would not be taxable in his hands. In 2019, this cost was expected to be INR 19,00,000 with airfare costs in the range of INR 60,000 per head; household goods shipment and relocation cost of INR 15,00,000; immigration cost of \$320 per head, and service charge of the service provider would cost INR 2,00,000 for a family of four members. Ray and his spouse would be entitled to a look-see trip for a fortnight and temporary furnished accommodation for one month upon his final relocation for him and his family, all of which would cost the company an additional INR 4,00,000. The India HR function's recommendation was to position Ray at the market median to maintain parity with the other Indian employees.

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<sup>11</sup> www.cpf.gov.sg last accessed on September 27, 2020.

## **THE FINAL PROPOSAL**

After considerable deliberations, Sadanandhan had prepared multiple options for the cases, along with their associated costs, risks, and tax implications, and had run through them with Reddy. Collecting her laptop, she headed to the conference room for the presentation to Chadha. She said:

We have explored all the possible options and scenarios for these assignment cases. I've covered all the bases here. While I will present all of them, I am confident that the final recommendations and rationale for the same will be more than acceptable to our clients.

Exhibit 1

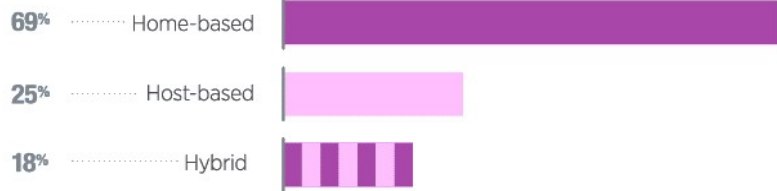
Expatriate Salary Management Trends 2019

Trends

**46%**

expect growth in the number of assignees over next three years

Salary approach



Challenges

- 1 Attracting & retaining talent
- 2 Motivating staff to be mobile
- 3 Managing exceptions

Bonus



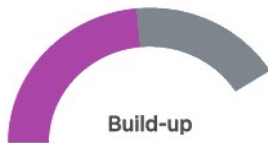
78% of build-up & local-plus packages include a performance related bonus

Allowances provided



Cost of living adjustment

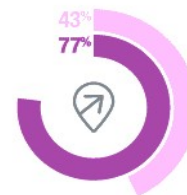
Quotation and delivery



47% pay in home currency only  
35% adopt a currency split



67% pay in host currency only  
15% adopt a currency split



Location allowance

Salary reviews



**87%**

review home-based salaries annually

Tax



75% of those using a build-up approach tax equalise



58% of those using a local-plus approach leave tax to the assignee



Mobility allowance

■ Build-up ■ Local-plus

Source: <https://www.eca-international.com/insights/blog/april-2019/international-assignment-salary-management> last accessed on August 30, 2020

## Exhibit 2

## Saurabh Sinha's India Compensation 2019

Salary details for the tax year 2019-20		
Components	Annual India salary - Pre-assignment (in INR)	Annual India salary - Pre-assignment (in \$)*
Basic salary	667,000	9,530
House rental allowance	120,000	1,710
Other allowance	801,800	11,450
PF contribution in India	80,000	1,140
Gratuity	32,000	460
Medical insurance	4,800	70
<b>Total salary</b>	<b>1,705,600</b>	<b>24,370</b>

\*INR 70 = \$1 in March 2019

Source: Internal Documents of EY

## Exhibit 3

## Ankush Khanna's India Compensation 2019

Salary details for the tax year 2019-20		
Components	Annual India salary - Pre-assignment (in INR)	Annual India salary - Pre-assignment (in \$)*
Basic salary	850,000	12,140
House rental allowance	240,000	3,430
Personal allowance	480,000	6,860
Other allowance	340,000	4,860
PF contribution in India	102,000	1,460
Gratuity	40,890	580
Medical insurance	6,000	90
<b>Total salary</b>	<b>2,058,890</b>	<b>29,420</b>

\* INR 70 = \$1 in March 2019

Source: Internal Documents of EY PAS

## Exhibit 4

## Cost of Living Index Country Wise

Search: <input type="text"/>							
Rank	Country	Cost of Living Index	Rent Index	Cost of Living Plus Rent Index	Groceries Index	Restaurant Price Index	Local Purchasing Power Index
1	Switzerland	122.40	50.25	87.89	120.27	123.01	119.53
2	Norway	101.43	36.15	70.21	91.14	109.28	88.38
3	Iceland	100.48	46.95	74.88	86.89	113.74	79.44
4	Japan	83.35	25.97	55.90	81.82	48.95	87.28
5	Denmark	83.00	31.92	58.57	61.74	100.75	100.88
6	Bahamas	82.51	36.36	60.43	62.65	83.66	54.18
7	Luxembourg	81.89	54.92	68.99	69.10	89.85	103.92
8	Israel	81.15	31.33	57.32	66.31	88.65	78.09
9	Singapore	81.10	63.27	72.58	66.75	58.99	88.96
10	South Korea	78.18	22.86	51.72	91.31	44.87	85.21
11	Hong Kong	77.22	79.57	78.35	75.94	54.36	65.32
12	Barbados	76.02	19.70	49.08	65.20	68.14	51.10
13	Ireland	75.91	43.88	60.59	58.35	81.24	80.88
14	France	74.14	25.39	50.82	67.90	72.54	80.36

Source: [https://www.numbeo.com/cost-of-living/rankings\\_by\\_country.jsp](https://www.numbeo.com/cost-of-living/rankings_by_country.jsp) last accessed on August 30, 2020

## Exhibit 5

### Social Security Compliances for Belgium, Germany, and Luxembourg

**Belgium** – Social security contributions were generally compulsory for individuals working in Belgium. For 2019, the rate of the employee's basic social security contribution equaled 13.07% of the monthly gross compensation without a ceiling. The employer's social security contributions were levied at a basic rate of 22.65% of gross monthly compensation, with no ceiling. On top of this basic rate, several specific contributions were due from the employer; some contributions varied based on specific parameters and could be industry or sector-specific. Some reductions were available, depending on various eligibility criteria. Specific (and generally more beneficial) rates and arrangements applied to several salary components and benefits in kind complementing the base salary. An employee who paid the Belgian social security was entitled to benefits, including health insurance, disability insurance, occupational insurance, unemployment allowances, family allowances, and retirement and survivor's benefits.

**Germany** – Social security taxes covered the five elements of old-age pension, unemployment insurance, health insurance, nursing care insurance, and accident insurance.

Old-age insurance, unemployment insurance, health insurance, and nursing care insurance contributions were required for all employees unless they were otherwise exempt under EU regulations or a social security totalization agreement. The same rule applied to accident insurance contributions, which were required to be paid by the employer only.

Compulsory old-age pension and unemployment insurance coverage existed for all employees working in Germany, regardless of how much they earned. For 2019, contributions amounted to 21.1% (18.6% for an old-age pension and 2.5% for unemployment insurance) of employment income, up to EUR 80,400 (special contribution ceilings applied to the Eastern German federal states) a year. Income exceeding EUR 80,400 (special contribution ceilings applied to the Eastern German federal states) was not subject to these contributions. The employer had to pay one half of the contributions. Employers had to withhold employees' portions from their monthly compensation.

Health insurance coverage was compulsory if an individual's annual employment income did not exceed EUR 60,750 for 2019. The rate of the contribution was 14.6%. Health insurance contributions had to be paid on employment income up to EUR 54,450 for 2019. One-half of the contribution was to be paid by the employer. In addition, as of January 1, 2019, both the employer and the employee had to bear an individual surcharge, the rate of which was determined by each state health insurance provider.

**Luxembourg** - Social security contributions applied to wages and salaries and had to be withheld by the employer. These contributions covered old-age pension and health insurance. Only employers paid contributions for professional accident coverage. In 2019, both employers' and employees' social security contribution rates were 8% and 3.05% toward pension and illness, respectively.

(a) The contribution rates were subject to an annual ceiling of EUR 125,385 for 2019.

(c) The rate varied according to the risk class of the employer based on the rate of absenteeism of the employees.

In addition, dependence insurance to support the elderly and the disabled was payable by employees at a rate of 1.4% on total gross income with no ceiling, but after an annual deduction of EUR 6,269.28 for 2019. Employers were not subject to dependence insurance contributions.

**Source:** EY tax and immigration guide [https://www.ey.com/en\\_gl/tax-guides/worldwide-personal-tax-and-immigration-guide-2019-20](https://www.ey.com/en_gl/tax-guides/worldwide-personal-tax-and-immigration-guide-2019-20) last accessed on September 30, 2020.

## Exhibit 6

## Multi-tier Benefits Mobility Policy for IT Services Firm

	Type of Expense	Executive Level	Long-Term International Assignment (LTIA) policy	Intra-regional	Local Plus
PRE-MOVE	Relocation Allowance	√	√	X	X
	Home Sale Closing Costs	√	Δ	X	X
	Pre-move House Hunting Trip	√	√	X	Δ
	Economy Class Airfare	X	√	√	√
	Business Class Airfare	√	X	X	X
ON ASSIGNMENT	Housing Deduction	√	√	Δ	X
	COLI	√	√	√	X
	Dependant Education	√	√	Δ	Δ
	Tax Prep	√	√	Δ	X
	Transportation	√	Δ	Δ	X

√	Core Benefit
Δ	Discretionary Benefit
X	Not Applicable

Source: Internal Documents of EY PAS

## Exhibit 7

## Neha Raj's India Compensation 2019

Salary details	
Components	Pre-assignment (in INR)
Basic salary	2,000,000
House rental allowance	800,000
Personal allowance	1,200,000
Other allowance	1,492,292
Bonus	1,031,250
<b>Total salary</b>	<b>6,523,540</b>

\* INR 70 = \$1 in March 2019

Source: Internal Documents of EY

## Exhibit 8

## CPF Contribution Rates

Employee's Age (Years)	Employee's total wages for the calendar month	Total CPF contributions (Employer's & Employee's share)	Employee's share of CPF contributions
55 & below	≤ \$50	Nil	Nil
	> \$50 to \$500	17% (TW)	Nil
	> \$500 to < \$750	17% (TW) + 0.6 (TW - \$500)	0.6 (TW - \$500)
	≥ \$750	[37% (OW)]* + 37% (AW) * Max. of \$2,220	[20% (OW)]* + 20% (AW) * Max. of \$1,200
Above 55 - 60	≤ \$50	Nil	Nil
	> \$50 to \$500	13% (TW)	Nil
	> \$500 to < \$750	13% (TW) + 0.39 (TW - \$500)	0.39 (TW - \$500)
	≥ \$750	[26% (OW)]* + 26% (AW) * Max. of \$1,560	[13% (OW)]* + 13% (AW) * Max. of \$780
Above 60 - 65	≤ \$50	Nil	Nil
	> \$50 to \$500	9% (TW)	Nil
	> \$500 to < \$750	9% (TW) + 0.225 (TW - \$500)	0.225 (TW - \$500)
	≥ \$750	[16.5% (OW)]* + 16.5% (AW) *Max. of \$990	[7.5% (OW)]* + 7.5% (AW) * Max. of \$450
Above 65	≤ \$50	Nil	Nil
	> \$50 to \$500	7.5% (TW)	Nil
	> \$500 to < \$750	7.5% (TW) + 0.15 (TW - \$500)	0.15 (TW - \$500)
	≥ \$750	[12.5% (OW)]* + 12.5% (AW) * Max. of \$750	[5% (OW)]* + 5% (AW) * Max. of \$300

**Notes:**

OW: Ordinary Wages (capped at OW Ceiling of \$6,000)

AW: Additional Wages

TW: Total Wages = OW + AW

**Source:** The CPF contribution rates from January 1, 2016 for the private and public sector non-pensionable employees ([www.cpf.gov.sg](http://www.cpf.gov.sg), last accessed on September 27, 2020).