

TRANSPARENCY INTERNATIONAL SECRETARIAT

RELOCATION ALLOWANCE POLICY

1. Review & Change History

Version	Date Effective	Created by	Approved by MG	Reviewed by Works Council	Change history
1	01.08.2012	HR	01.08.2012	25.01.2012	Initial Version
2	17.03.2014	HR	17.03.2014	06.03.2014	Annual Review
3	28.05.2015	Review period 09.09.2014 until 26.05.2015	22.05.2015	29.04.2015 and final 27.05.2015	Special review

2. Purpose of the Relocation Policy

The purpose of this policy is to clarify the circumstances under which employees are provided with financial assistance to meet costs incurred when having to relocate as part of their employment with TI-S and the ground rules around eligible expenses and costs, claims and repayments. This policy is limited to financial assistance and does not cover general relocation assistance.

3. Scope of the Relocation Policy

This policy applies to all new employees but does not apply to interns. However, it applies to staff members, who were appointed as employees immediately (period of interruption cannot exceed 1 month) following their internship at TI-S and who had relocated to Berlin for the purpose of the internship. Only the first contract after the internship can attract a relocation allowance. Thereafter they will be treated as Berlin based.

This policy does not apply where an existing staff member, at their own request and outside of the normal recruitment and selection process, is transferred to another location in and/or outside Berlin, and/or at their own request return to Berlin.

4. Process and guidelines

The entitlement to a relocation allowance under these regulations will be an integral part of the offer letter and the employment contract subject to signature of both parties. Travel expenses for moving to Berlin and work permit expenses as per 4.2 are in addition to the relocation allowance as detailed in 4.1.

4.1 Relocation allowance

When a new employee receives an employment offer, they can choose between two types of relocation allowance:

- 1) Lump-sum (without presentation of receipts) or
- 2) Reimbursement of shipping of personal belongings/household goods to move to Berlin (upon presentation of receipts)

The type of relocation allowance chosen will be part of the employment contract. It is not possible to mix both options. The lump-sum or the reimbursement of shipping of personal belongings for contracts shorter than 2 years is calculated on a pro rata basis according to the contract length (e.g. for a 1 year contract the lump-sum would be: € 1000). Where contracts are initially for less than 2 years but subsequently extended, an additional amount will be paid to the staff member up to a maximum of two years pro rata.

"Dependant": means the spouse or partner of the appointee and any child under the age of sixteen years, or twenty one years if a full-time student. The employee needs to inform HR by accepting the employment offer of the number of dependants that will move with him/her to Berlin.

4.1.1 Lump-sum

The new employee choosing the lump-sum will receive a maximum amount of € 2000 to help with the costs. An additional amount of € 1000 per dependant will be granted. No presentation of receipts is needed.

The lump-sum will be paid at the same time as the first salary or when the proof of residence is provided if later. The applicability of the lump sum option is regulated by German tax laws. The lump sum will be taxable but TI-S will cover the amount of tax subject to proof of previous maintenance of one's own household.

At the time of approving this policy an amount of € 715 (as of 01.03.2015 € 730) for singles and € 1.429 (as of 01.03.2015 € 1.460) if the employee is accompanied by a spouse or partner (plus € 315 per child, as of 01.03.2015 € 322), (according to the applicable German legislation) will be tax-free where proof can be provided that the employee maintained their own household before moving to Berlin and that they intend to set up a new household in Berlin (this can be proven by showing copies of the lease or property contract in their name, or mortgage documents in the country of origin).

Where maintenance of one's own household before moving to Berlin cannot be established but where one will be set up (or vice versa) only 20% of the tax-free amount can be claimed. **Any taxation incurred due to the inability of the new employee to proof the maintenance of a previous and/or a new household will be deducted from their pay.**

4.1.2 Reimbursement of shipment of personal belongings

An employee choosing the reimbursement of shipment of their personal belongings/household goods to move to Berlin can receive the following:

	Relocation allowance	Additional amount per dependant
National relocation	€1000	€500
European relocation	€2000	€1000
Overseas relocation	€5000	€1500

The address given on the CV of the new employee will be used to determine if it is a national, European or overseas relocation. No offer will be made without an address being provided. TI-S reserves the right to request proof of residency at the address given.

Reimbursement can only occur upon providing the original receipt(s) of payment or invoice(s).

Examples of eligible costs are:

- Costs for packing and shipment of personal belongings/household goods to move to Berlin
- Costs for temporary storage of furniture and possessions
- Extra luggage for flight
- Excess baggage fee

Note: Relocation expenses can be reimbursed up to the maximum amount as stated in the above table.

4.2. Other eligible expenses

4.2.1. Travel Expenses

TI-S will reimburse actual travel expenses for the employee and dependants for one way economy airfares using the most reasonable direct route to Berlin, Germany or for a one way train ticket in 2nd class to Berlin, and a taxi/travel costs from their residence to the airport/train station and then to their first address in Berlin. In the case of Interns the same rules apply with a basic baggage allowance for an economy fare and total travel costs restricted to € 300.

If a return airfare is significantly lower than a one way airfare, TI-S may consider reimbursement of the actual amount of return air fare.

For staff members and interns who elect to travel by another method of transport, e.g. by private motor vehicle, the expenses will be reimbursed in line with the German tax laws.

4.2.2. Work permit

Where a work or residency permits are required, TI-S will pay/reimburse the costs for the dependants of the employee until their spouse or partner finds employment of their own and the children reach the age of sixteen or twenty-one if a full-time student.

4.2.3. German class

In order to help employees settle in Berlin, TI-S will support staff members by contributing 50% of the course fees for German classes. [...].

In order to help the children of the employee under the age of sixteen years, or twenty-one years if a full-time student, settle in Berlin, TI-S will contribute to their German lessons up to € 500. The other conditions of the German classes reimbursement outlined in the Learning & Development Policy are in effect.

5. Advance payments

An advance on the relocation allowance can only be requested for the option “reimbursement of shipping costs” by submitting the appropriate Finance “Memo Cash/Bank Transfer”. The memo has to be signed by the Employee, the Department Director and HR. Once this is done it will be transmitted to Finance.

The following two conditions apply:

- A maximum amount of € 2000 or the entitlement if less can be requested as a cash advance.
- Original receipts and/or invoices need to be handed in to HR within two weeks after the cash advance has been given/ transferred to the staff bank account.

If receipts are not handed in within these two weeks after the cash advance has been given/transferred to the staff, the advanced amount for which receipts have not been given to HR will be taken back directly from the staff’s next salary.

In the event of the option “lump sum” any advance will be treated as a normal cash advance on salary and will be deducted from the salary in the same month. To request salary cash advance an email should be sent to their line manager copying HR.

6. How to claim expenses

The reimbursement of shipment of personal belongings (§ 4.1.2) and other expenses (§ 4.2) are claimed by completing one of the relevant financial memos (cash or bank transfer) and providing the original receipts of payment or invoices.

[...]

After sign-off by their Line Manager the staff member will hand the claim together with the invoices to the HR Department.

The HR Department reviews the claim and the invoices for eligibility.

Once they have approved the claim HR will hand the claim to the Finance Department for processing and payment.

Relocation allowances paid under this policy will be charged to the budget of the staff member's department.

7. Time period for claims

Employees eligible for relocation assistance must claim expenses no later than 12 months after the end of their contractually agreed probation period.

8. Repayments

If a staff member voluntarily leaves employment with TI-S within the first year of employment the relocation allowance has to be repaid pro rata at 1/12 per month. In this case the employee should contact HR immediately to make arrangements for the repayment of the relocation allowance.

If no other repayment arrangements have been proposed by the employee and have been agreed upon by HR and their Department Director the outstanding amount owed will be deducted from the employee's salary in line with the relevant legislative provisions.

Any waiver of this obligation must be approved by the respective Group Director and the Managing Director or his deputy and for the Managing Director by the Chair of the Board.

If TI-S terminates the employee's employment during the probation period for reasons other than gross misconduct, TI-S will assume the costs of the employee (and dependants') travel back to the location where the employee relocated to Berlin from, up to a maximum equivalent to the costs associated with the employee (and dependants') Berlin-bound travel against actual receipts submitted before the last day of employment with TI-S.

9. Review process

This policy will be reviewed every two years by the HR Department in consultation with the Works Council unless an earlier need is identified by MG, HR and/or the Works Council.

10. Exceptions

Where an exception to this policy is needed it will be reviewed by HR, approved by the relevant Group Director and the Works Council will be informed.

End of policy