

EXTRACTS



Education Assistance for Expatriate Families

ORC Worldwide's '2006 Survey of International Assignment Policies and Practices' illustrates how employers today provide – or do not provide – financial assistance with a child's education during an international assignment. A child's education is usually high on the list of priorities when a family is deciding whether or not to accept an international assignment. The manner in which employers assist families with education-related issues will vary according to company culture, budgetary restrictions, employee expectations, family circumstances and other factors. The findings as regards education assistance are given below.

Overall Trends

Many locations offer international or special schools catering to the needs of expatriate children, with curricula that help smooth re-entry into the home-country education system. Other destinations, however, do not possess local schools that offer a comparable facility. Worldwide, 52% of companies always contribute to the educational expenses of their expatriates' dependent children. Forty-four per cent do so if there is no suitable free education available in the host location. What they pay for is variable, as follows:

- Fifty-five per cent pay basic tuition fees at an acceptable local school.
- One quarter pay all actual expenses, varying by region (32% for companies based in the Americas, 30% in Europe and the Middle East, 18% in Asia Pacific and 4% in Japan).
- Nine per cent pay actual expenses but deduct an education norm, representing what the family would have paid for such expenses in the home country.
- Only 7% pay a percentage of the cost up to a set limit, while 5% pay a set allowance regardless of the actual expenses.

These general trends translate into different levels of assistance for the different stages of a child's education.

The Early Years

More and more often, companies are contributing to pre-school (nursery school) or day-care tuition, with 44% of companies contributing to such expenses. This is slightly higher for companies based in Asia Pacific (51%), but lowest for Japanese companies (36%). Nearly all organizations (92%) assume the costs where suitable local kindergarten facilities are available.

The Middle Years

When use of a local private school is justified under the provisions of the company's education policy, most employers pay the full costs of tuition and mandatory fees for elementary and secondary education. Some companies also pay for such items as uniforms, books and supplies, local transportation to and from the family home, and extracurricular activities (see TABLE 1 below).

If no suitable school is within a child's commuting distance from home or – perhaps due to the child's age or extenuating circumstances – available schools do not meet a child's individual needs, many employers pay boarding school fees. Typical items covered include tuition, room and board, mandatory fees, books and supplies and, in most cases, two annual roundtrips for the student between the host location and the boarding school. If a child is too young to travel alone, the company may choose to pay for economy travel for one parent to accompany the child for registration and settling in.

As might be expected, very few companies pay for boarding school in all locations. In fact, one third do not contribute towards any boarding school expenses, regardless of the situation. That percentage is highest for Japanese companies (45%) and lowest for organizations based in Europe and the Middle East (26%). Of those that do contribute, one quarter provide assistance where there is no international school available in the host location; only 5% of Japanese companies do so in this situation. Slightly more than a third handle such assistance on a case-by-case basis.

The Later Years

Although most employers do not pay tuition or other college-level costs, some organizations reimburse the difference

TABLE 1

Educational Expenses Typically Covered by Companies

<i>Item</i>	<i>Asia Pacific</i>	<i>Europe / Middle East</i>	<i>Japan</i>	<i>The Americas</i>	<i>Worldwide</i>
	%	%	%	%	%
Textbooks	39	32	67	68	57
Local transportation to/from school	44	41	97	62	63
Uniforms	18	15	12	40	27
School trips	16	6	5	13	10
School meals	9	6	4	9	7
Other	7	5	9	6	6
No additional costs paid	40	50	1	21	25

between resident and non-resident tuition. Most companies provide one round-trip economy airfare for each year of an international assignment between the home and host countries for a college student to visit family members or for an expatriate parent to visit the student.

Special Arrangements

Some situations require something more than the typical educational facility or course of study, thus requiring employers to make a judgement. For example, many employers might consider paying for a home-study course (that is, covering postage, books and other materials) when, for language or personal reasons:

- a child cannot attend a local school and parents are unable or unwilling to send him or her to a boarding school; and
- essential courses that will facilitate the child's re-entry into the home-country curriculum are not offered by local schools.

The organization often provides supplementary assistance for tutoring in a number of common circumstances where the child:

- arrived in the host location after the school year had already started;
- will leave to return home or relocate to another destination before the end of the school year;

- requires supplementary courses if an otherwise suitable school does not teach a subject essential to his or her education;
- needs special help in learning the local language; or
- has a physical or mental health condition, or is experiencing emotional problems.

Companies may already have a policy in place to cater for such situations.

Offering Supplementary Help

With the importance of a child's education affecting a relocation decision for a first assignment or perhaps for a subsequent assignment to another location, ORC believes that it is essential for HR administrators to be able to take proactive steps to assist the family in resolving educational concerns. It recommends that companies point the expatriate in the right direction by allowing the family a pre-assignment visit in order to:

- see, at first hand, where the neighbourhood schools are located in relation to the potential residence;
- interview school administrators and teaching staff; and
- make informed decisions based on fact, not distant research alone.

When it comes to that final choice of school, ORC suggests involving the child in the decision-making.