

Is **RELOCATION REIMBURSEMENT** the Best Policy for a Corporate Relocation Package?



ACCORDING TO RESEARCH COMMISSIONED BY [CORPORATE RELOCATION TODAY \(CRT\)](#), 40% of companies use a Reimbursement Policy when it comes to managing their employee relocations—which were nearly 50% more popular than Lump Sum Policies,

Though Reimbursement Policies require less oversight from companies, adding an appealing layer of convenience, they also pose a greater risk.

Because the responsibility is largely placed in the employee's hands—and corporate executives are often removed from the process and challenges of finding and selecting appropriate vendors—it can result in:

- A costly endeavor for companies
- Inexperienced buyers being taken advantage of
- Unnecessary financial stress

What is a Reimbursement Relocation Policy?

An employee relocation package is a financial benefit that companies provide to assist new and current employees in moving from one location to another because the job requires it.

With Reimbursement relocation packages, transferees pay for all moving expenses upfront under the notion that their employer will reimburse them with a specific amount of money following the move. Therefore, tasking the employees to keep receipts and records of expenses for their employers in order to be properly reimbursed.

A COSTLY ENDEAVOR FOR COMPANIES

Relocating an employee can be a costly endeavor for companies. According to the CRT data, companies who adopted a Reimbursement Policy listed the "Number of Exceptions" as their biggest challenge.

This is likely due to the fact that the company pre-approves the estimates provided by the employee, selecting providers based on their available funds, in effect, turning an employee into a banker.

According to [American Relocation Connections \(ARC\)](#), the average relocation package costs between \$19,309 and \$24,216 for renters and between \$72,627 and \$97,116 for homeowners, depending on whether the person is a new hire or a current employee. Employee moving expenses typically include:

- Travel to the new location
- Packing and moving service
- Moving insurance
- Short-term housing
- Storage units or other temporary storage solutions
- Home sale or purchase
- Tax gross-up for benefits
- Relocation taxes

**DID YOU
KNOW...**

The Tax Cuts and Jobs Act of 2017 essentially removed relocation expense tax exemptions and deductions. Because of those changes, which also ended the IRS 50-mile rule, relocation is more expensive than it used to be.

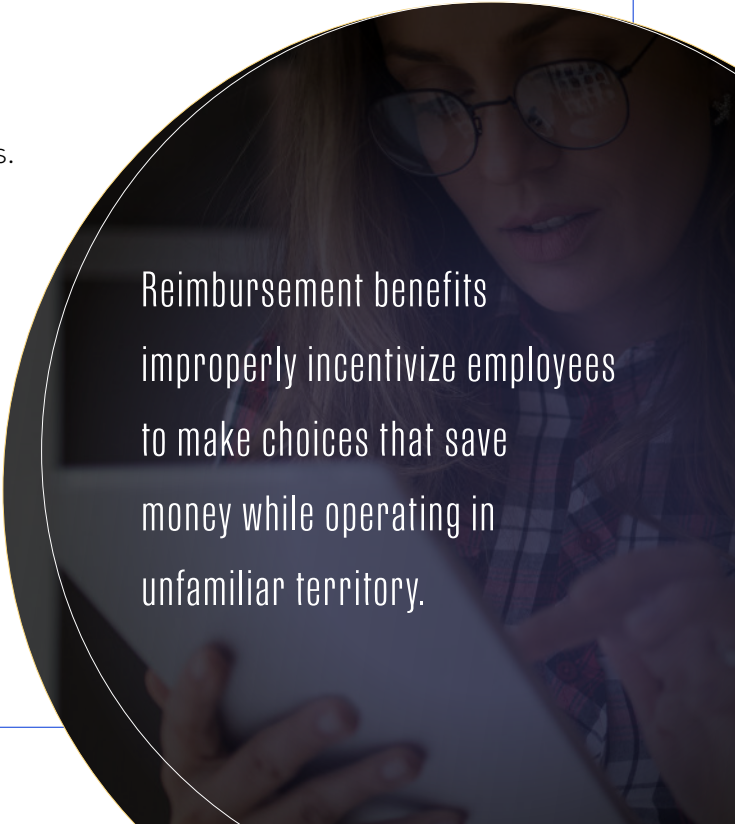
OUTDATED INDUSTRY PROCESSES TAKE ADVANTAGE OF INEXPERIENCED MOVERS

Due to the lack of innovation in the moving industry up until recent history, there have been virtually no process changes. This has resulted in complex—and often corrupt—pricing and confused customers making decisions at the mercy of brokers.

Even moving providers, acting as brokers, often recognize that the best way to secure a customer's business is to offer the lowest estimate. However, these low estimates are typically a façade as movers have discovered ways to increase the price throughout the moving process in order to pad their own pockets.

According to Jerad K. Lovett, NexMuv CEO "brokers purposely keep things confusing, allowing movers and drivers to bump weight and charge more," Lovett says. In the industry, this practice is so commonplace, it is often referred to as "hanging a tire" and, according to TW Solutions, it is happening in well over 90% of corporate moves.

Outdated moving processes pose an especially unique threat to employees relocating under a Reimbursement Policy who are managing and fronting the money for moving vendors/expenses—essentially acting as buyers—despite being largely uneducated about industry pricing complexities and moving best practices.



Reimbursement benefits
improperly incentivize employees
to make choices that save
money while operating in
unfamiliar territory.

According to ACS Data, [The U.S. Census Bureau](#) estimates that the average person in the United States moves about 11.7 times in his/her lifetime. Meanwhile, over 22,000 registered moving companies in the U.S. perform over 30 million domestic moves in the U.S. on average annually.

In addition to the stress of preparing for, coordinating, and financing a move—amidst efforts to smoothly transition work roles—it is no surprise that employees are typically incentivized to do the move as cheaply as possible. In other words, “rent a truck” or enlist a similar DIY solution, resulting in the increased likelihood of:

- Unreliable or rogue movers
- Hidden costs
- Timeline inefficiencies
- Damaged or missing items
- Unnecessary added stress

MANY AMERICANS AGREE THAT FINANCING YOUR OWN MOVE IS THE #1 MOST STRESSFUL LIFE EVENT

When considering the number of stressful life events the average person faces in his/her lifetime, there are no shortage of tragedies and hardships that come to mind.

However, a recent study found that many Americans believe moving to be the most stressful thing a person goes through in life—even above death and divorce.

A survey asked 1,000 Americans who had recently moved about the most stressful events in their life. 64% of respondents consider their most recent big move to be one of the most stressful experiences they’ve ever had.

The leading contributor behind the high stress of moving? Financing it yourself. Among Americans who went through their last move all on their own, 43% say they’ll never do that again.

Recent research into the decision to move interstate via DIY versus a full-service solution shows that nearly **75%** of individuals that opted for a DIY moving solution would **not recommend DIY moving** to a friend.

75%



FIND THE BEST MOVERS USING REAL-TIME DATA AND FINANCE OPTIONS

Anyone who has ever moved, especially to a new state, knows that moving is nearly a full-time job in and of itself. In the case of Reimbursement Policies, this is especially burdensome, where employees are also asked to finance their own move.

According to Lovett, "the moving process is a direct reflection of how an employer feels about the employee. Or, the mover is often the first representative of a company to a new employee."

In today's competitive talent market, where employee turnover is a major concern, placing the weight of a move on your employee's shoulders may not be the most effective approach in meeting long-term retention and employee satisfaction goals—which, according to CRT, ranked highest as a primary driver for companies' relocation program objectives.

What if there was a better, easier way?

Through modern AI technology and real-time shipping and transportation data models, NexMuv can help you accurately assess your move and track down the most effective moving solution with the click of a button.

The NexMuv Promise



No more moving vendor capacity issues & inefficiencies



Get your household goods delivered on time AND within your budget



Third-party solutions guarantee accurate pricing using real-time data

NexMuv's Third-party virtual survey solutions ensure pricing transparency that protects all parties involved—keeping the movers honest and the cost low.

Book Now, Pay Later

NEXMUV / Book Now Pay Later

Ready for the best part? You can book now, pay later with NexMuv Pay. With NexMuv's instant price with no credit check, you can **start your move today** for as low as \$200 per month.

