

The expatriate package and its evolution

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The traditional expatriate package included a generous salary, housing, school fees for the children, home leave and tax equalisation. It was designed for managers sent abroad by their employers for a limited period. International companies in Zug used such packages widely in the decades after the Second World War. In recent years, the model has changed. Companies increasingly hire employees on local contracts with some additional benefits, known as local-plus packages, and expect them to stay for longer periods or permanently.¹ The change has reduced the costs for companies and has made the international community of Zug more permanent.

A more permanent international community has different needs. Its members buy property, send their children to local schools, join local associations and apply for permanent permits and naturalisation. As their interest in learning German grows, their participation in local life increases. The shift from temporary expatriates to permanent immigrants is gradual. It may, in the long run, reduce the separation between the international and local communities that this chapter has described.

1 Notes

1. Roger Herod, "Local Plus Expatriate Policies", GTN, 17 December 2017, gtn.com: local plus combines a host-country salary with allowances such as housing, schooling and home leave and is "becoming increasingly popular" as an alternative, while the balance-sheet approach remains the preferred method for assignments of two to five years; a Mercer survey of 2013 found local-plus policies at 32 per cent of North American companies. The source is not specific to Switzerland or Zug, and the post-war use of packages in Zug and the expected length of stay are not covered. ↩

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