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Quick facts about relocation:

- To initiate a relocation, contact Jennifer Ruggiero, Recruitment Consultant at ext. 4766
- Decisions to offer relocation assistance is based on Talbots company need
- Each relocation varies based upon employment level and personal situation
- Covers associates in a qualified management position that will require a move 50 miles farther from their current home than their current employment
- Associates will be required to sign a relocation agreement signifying they understand their obligation to repay Talbots for all relocation assistance received, should they leave the employment of Talbots within one year of receiving the assistance.

Everything you need to know about relocation

Relocation: seemingly it's a great, inexpensive way to get a qualified candidate into an open position quickly. But although relocations cost your store and district nothing, the expenses related to them involve a hefty price for Talbots. So before you offer a management associate relocation assistance, make your self familiar with the information on the following pages. Not only will that information help you to know what coverage your associate will be eligible for, it will also help to ensure

a smooth and cost-effective relocation for that associate.

How it works

Talbots utilizes the services of a third party relocation provider, Primacy Relocation. The relocating associate will be assigned a Personal Move Consultant from Primacy, who will assist them in coordinating the relocation services that have been approved. All authorized relocation expense reimbursements will be paid by Primacy Relocation.

Knowledge is key

It is very important that District Managers encourage their relocating associate to learn as much as he/she can about the potential new location before accepting a position. It is important for the associate to consider the cost of living in the new location, other financial impacts and the emotional/personal impact it may have before deciding whether or not to relocate. Doing this will ensure that the associate makes a good decision for themselves as well as for Talbots.

Who is eligible for relocation?

The following management associates are eligible for relocation assistance, provided he/she meets the appropriate distance criteria: Store Managers (*which include: General Manager, Training Store Manager, and Store Manager*), Co-Manager and Assistant Store Managers.

Each offer of relocation assistance is based on the associate's new employment level, as well as individual circumstances. For a Store Manager's relocation, each personal situation

will be evaluated by the Store Recruitment Department. The associate will be offered the assistance necessary to enable them to relocate in the most comfortable, yet cost efficient manner. So where it may be appropriate to offer one Store Manager an apartment-hunting trip and a household goods move it may be enough to offer another Store Manager the cost of a U-Haul and mileage only. Co-Managers and Assistant Managers are offered a standard relocation pack-

age which does not vary except in extreme circumstances.

Associates are eligible for relocation assistance if they are in a qualified management position, and the transfer will require a move **50 miles farther from their current home than their current employment**. Example: if an associate is currently living 3 miles from work, the new job must be 53 miles from the associate's current home in order for them to be eligible for relocation assistance.

Questions you should ask relocating associates



Please call Store Recruitment before committing to any relocation assistance

Decisions to offer relocation are based on Talbots company need.

An associate's personal need/ desire to relocate are not a sufficient reason for offering relocation assistance. Therefore, before committing to relocation assistance, please ask yourself **and** the potential relocating associate the following questions:

How did the associate hear about this opportunity? Were they approached by a member of Talbots management? Did the associate see an advertisement or internet job posting?

OR

Did the associate approach Talbots directly and request a transfer? Would this associate have been moving regardless of whether an opportunity at Talbots was available in the new location?

(If so, they would not be eligible for relocation assistance.)

Is another party (for example, a spouse's employer) paying for the relocation?

(If so, the associate would not be eligible for relocation assistance from Talbots.)

So that we do not commit to assistance that an associate is not eligible to receive, please call store recruitment before committing to any relocation assistance.

Assistance offered to Store Managers

Each relocation is unique and requires different types of assistance. Although associates are eligible for the following relocation assistance, it is not a requirement that a manager receive all of the assistance documented below. Store Recruitment

will assess the needs and approve each part of the offer as deemed necessary to make the move smooth and cost effective.

Apartment/ Household Goods Move

If necessary, the associate will be offered a Household Goods Move. All moves are coordinated through Talbots moving company. In most cases, associates will be offered what is called a "partial pack" option. Boxes and packing materials will be delivered to the associate by a professional moving company. The associate will be required to pack their own belongings with the exception of fragile goods. The moving company will load, move and unload the goods. The cost of this option is significantly discounted and we will require associates to use this method unless it will cause the associate undue hardship.

pack will be made by the Store Recruitment Department and should not be offered by District/ Regional Management without prior authorization.

Since moving is an inexact science, associates and their management must be aware that the professional moving company will require what is called a "window of delivery" of up to six days. Relocating associates will be advised that their goods may be picked up prior to their planned departure date and that they may be delivered after the associate's arrival date at the new location. Associates and their District Managers are requested to allow for flexibility in work scheduling so the associate may be present when goods are picked up and when they are delivered. **Talbots does not authorize weekend**

deliveries. If necessary, Talbots will pay for a hotel room for an associate on an interim basis, in the old location after goods are picked up, or in the new location, prior to delivery.

In cases where an associate does not own the amount of goods necessary to warrant a professional goods move, Talbots will reimburse the associate for U-Haul charges incurred while relocating. A move by U-Haul would be applicable in the case where the associate has minimal goods to move and sufficient resources to coordinate the move on their own. The associate must provide Primacy Relocation, Talbots third party Relocation Company with an estimate of the U-Haul expense prior to the move. Expenses should be charged on an associate's charge card and will be reimbursed by Primacy on behalf of Talbots.



Occasionally, a "full pack" option will be offered where the professional moving company will pack, load and unpack the associate. **The decision to offer a full**

Assistance offered to Store Managers cont'd

Apartment Hunting Trip

Sometimes it is necessary to offer a relocating associate a trip in order to obtain living quarters in their new location. In this case, all travel will be approved and coordinated thru Primacy Relocation as well as Talbots in-house Travel department. A typical house/ apartment hunting trip will be approximate two nights/ three days in length and will include mileage, a hotel for two nights, and a meal allowance. A flight will be offered if the trip is longer than a five hour ride and, if necessary, a rental car offered.

To encourage a successful house hunting trip, the District Manager should encourage the associate to prepare for the trip by doing the following:

1. Obtaining and re-viewing local newspapers
2. Performing internet research on the area
3. Speaking and networking with associates from the new location
4. Scheduling appointments with landlords/ property managers before arriving

Please talk to the Store Recruitment Department to determine if a house hunting trip is right for the associate.



Temporary Living

Talbots will offer temporary living for associates in 30 day increments. Given the exorbitant cost of temporary living (in some cases over \$3,500 per month) and the disruption it causes relocating associates, it will be offered only when deemed completely necessary.

Temporary living typically involves a fully furnished apartment. The relocating associate will need to bring the clothing and personal items to the unit. All other furniture and utensils are provided.

All requests for temporary living will be approved by Store Recruitment and coordinated through Primacy Relocation.

District Managers will be requested to review their business needs to evaluate if the associate's start date in the new position could be delayed in order to ensure they have obtained housing prior to beginning of their employment in the new location.

Reimbursable expenses while in temporary living include lodging and reasonable expenses. The cost of meals will not be included if the associate has access to kitchen facilities in the temporary location.

Due to the expense related to temporary living, associates will be approved for the minimum amount of time possible in temp living (30 days).

Any extension to temporary living must be approved by Store Recruitment.

In order to limit the time spent in temp living, each District Manager must communicate regularly with associates in temporary living to ensure they are diligently searching for housing.

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Final Move

When an associate actually closes the door at their old location and drives to the new location, mileage will be offered at the current federally approved rate plus tolls. If the drive requires an overnight hotel stay, a hotel will be covered with a meal allowance. In some circumstances, the cost of a flight to the new location will be offered, but must be approved in advance by Store Recruitment.

Lease Cancellation

Lease cancellation is offered for not more than 90 days total (the equivalent to 3 months rent). Associates will be requested to negotiate with their landlord to reduce lease cancellation fees, if possible.

The associate will be required to provide Primacy Relocation with the documentation of lease cancellation obligations (copy of their lease, letter from a landlord, cancelled check, etc.)

Relocating associates will be encouraged to ask prospective landlords to include a relocation clause in their new lease exempting them from lease cancellation fees in the event of a future move.

Suggested language is the following:

"In the event of a job change which results in relocation to another city/ state prior to the end of this lease, land-

lord agrees to accept 30 days notice with no penalty."

OR

"In the event of a job change which results in relocation to another city/ state prior to the end of this lease, landlord agrees to negotiate the breach of lease."



Lease cancellation is offered for no more than the equivalent of three months rent.

Brokers/ Apartment Finders Service

In some instances, the associate may be moving to a very populated area where apartments are difficult to find. District Managers should encourage associates to explore various internet resources to locate apartments.

Occasionally, it is necessary to offer an associate the cost of an online apartment finding service or the cost of retaining a real estate broker. This will be offered to associates based on **compelling need only** and is to be approved by

Store Recruitment in advance. Fees not to exceed one month rent will be covered.

Assistance offered to Co-Managers and Assistant Managers

An allowance of \$1,500 will be offered to eligible relocating Co-Managers and an allowance of \$750 will be offered to eligible relocating Assistant Managers.

An allowance of \$1500 will be offered to eligible relocating Co-Managers. An allowance of \$750 will be offered to eligible relocating Assistant Managers. This allowance is to be used in any manner the associate deems necessary to defray the costs associated with moving to their new location

The associate is not required to document the expenses, nor required to reimburse Talbots.

Allowance checks are authorized by the Store Recruitment Department. Checks will be processed by Primacy Relocation.

Relocation Letter/ Agreement

All offers of relocation assistance will be authorized by Store Recruitment via the following:

Once the District Manager has an initial discussion with the potential relocating associate to assess their needs, the District Manager should contact Store Recruitment to advise of the pending relocation. After gaining approval from Store Recruitment, the District Manager will direct the relocating as-

sociate to contact Store Recruitment. Store Recruitment will then discuss the relocation with the associate and give authorization for the specific assistance to be offered.

Associates receiving relocation assistance from Talbots will be required to sign a relocation agreement signifying that they understand their obligation to repay Talbots for all relocation assistance received, if she/ he leaves Talbots

within one year of receiving the assistance.

A letter documenting the specific relocation assistance offered, with the appropriate sign-off, will be completed by Store Recruitment and sent to the associate, with a copy sent to the District Manager. **The associate must sign the letter and return a copy to Primacy Relocation prior to receiving any assistance.**



Relocation Expense Report Forms

All relocation related expenses must be documented using a Primacy Expense Report Form. Expense forms must be completed accurately and legibly and returned to the Primacy Relocation

as soon as possible and no more than two weeks after the expense is incurred. Receipts for any relocation related expenses in excess of \$5.00 must be included with the expense reports.

The standard Talbots business expense form will not be accepted for any expense incurred while relocating.

Relocation related expense forms can be obtained from Talbots Primacy Relocation.

Tax Liability

Talbots is required by the Internal Revenue Service to report certain reimbursements to an associate for moving expenses on the associate's year end W-2 Wage and Tax Statement.

Income Tax is withheld on reimbursements expenses made

for those moving expenses which the company reasonably believes an associate will not be able to itemize on their tax return.

Primacy Relocation will send a report of relocation expenses paid on the associate's behalf to each relocating associate at year end.

If a relocating associate has questions relating to how these relocations will impact their tax status, they are to be directed to speak to their own personal tax professional.

Talbots Store Recruitment

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TALBOTS
Established 1947

Some Dollars and "Sense"

All relocation assistance offered must be approved in advance by the Recruitment Department.

When you are considering offering relocation, please keep in mind "the big picture." While this relocation may be costing you nothing, it *is* costing Talbots. In 2007, we relocated 33 managers at an approximate average cost of \$11,274. (The most expensive one was just over \$30,000!). Compare that to the following recruitment costs:

Classified Advertising/ Internet Postings

Internet postings are a very quick and inexpensive way to get your position listed to the public. Postings generally last 60 days and usually cost the company less than \$200 per posting.

Classified advertising, the ad will run once, but even in the most expensive publications in the country a three column ad can run for less than \$6,000, usually for much less.

Candidate Research:

Candidate research can be conducted for approximately \$125 per hour. At our typical assignment of 20 hours, that is a total cost of \$2,500. Or another research options costs approximately \$3,900 for a list of 5 qualified, interested candidates.

And if you consider that the cost to a **Contingent Recruitment Agency** (generally the most expensive recruitment method) to place a Store Manager Candidate at a salary of \$45,000 would be \$11,250 (\$45,000 X 25%). This is still less than the average cost per relocation.

And of course, there is your own **Networking** which is free and costs only your time.

We recognize that there are expensive business costs associated with leaving a store without a manager for long periods of time. But as you are analyzing your current staffing situation, please ask yourself if this relo-

cation is the best business decision you can make. Could you find another qualified candidate who is geographically commutable to the store?

In addition to costing Talbots money, relocations also place a tremendous amount of stress on the relocating associate. He/ she are often moving into a position that requires all of their time and energy...at the expense of their time and opportunity to find a new home. Add in the fact that he/ she are in an unknown town, often away from family, friends and their support network, all of which can have a negative impact on the associate themselves, as well as their store.

Relocation can be an opportunity for an associate to learn and grow. It can provide a store with an experienced Talbots associate who will be able to pick up the reigns quickly in the new location. So while relocation can certainly be positive for all involved, please be aware of the hidden price tags.