

Lump Sum Programs



The Issue

Lump sums promise flexibility, simplicity, and cost control—but cash alone doesn't guarantee a successful move. Employees still face complex decisions around housing, moving logistics, taxes, timing, and out-of-pocket costs.

That's why the most effective lump sum programs are designed with more than a payment in mind. By aligning funding with employee needs, move complexity, and the right level of guidance, organizations can turn a simple allowance into a strategic mobility tool.



The Mobility Impact

Lump sum programs have become a core component of domestic mobility strategy. Organizations value them for flexibility, scalability, administrative simplicity, and cost predictability. Rather than replacing traditional relocation programs altogether, many employers use lump sums within a segmented mobility strategy, aligning support levels to employee populations and move complexity.

We conducted research across 27 organizations and found that lump sums are most commonly used for entry-level employees and new hires, where speed, ease of administration, and efficient deployment are often priorities. More complex moves may require additional support, managed services, or a hybrid approach.



Don't treat lump sums as one-size-fits-all. Align funding and support to employee needs and move complexity.

In practice, a lump sum provides employees with cash in place of some or all traditional relocation benefits, offering flexibility while simplifying program administration.

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Our Recommendations

How can organizations create lump sum programs that support both business objectives and employee success? Based on our research and experience helping organizations design mobility programs, we recommend the following:

Identify Eligible Employee Populations

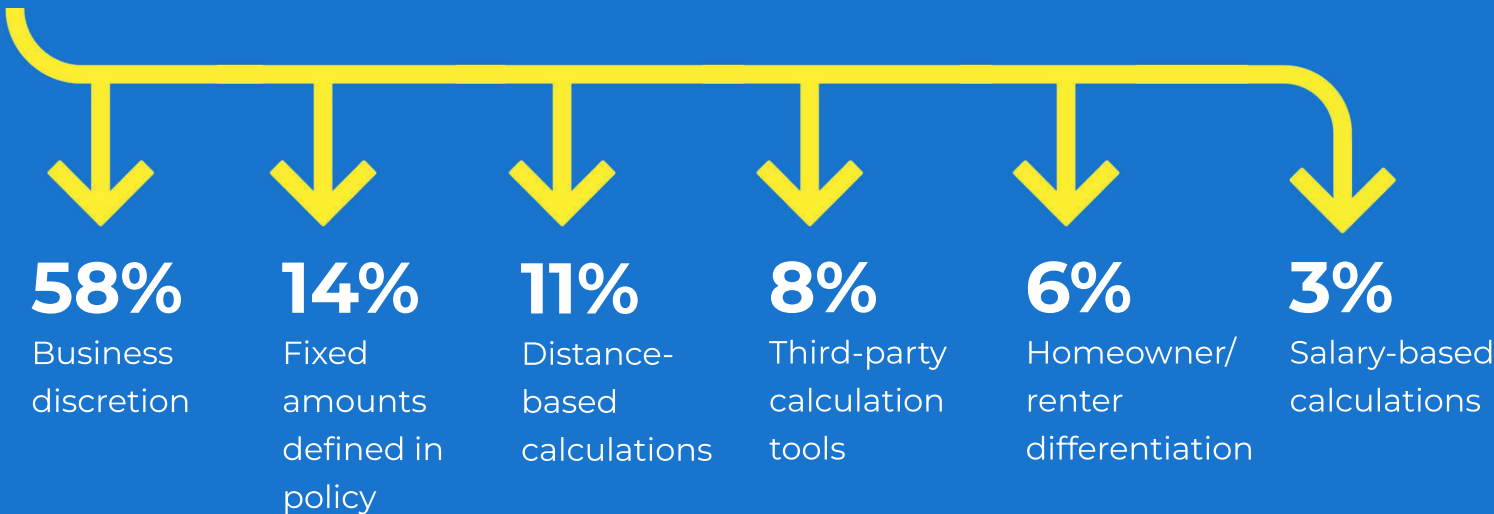
Determine which employee groups are best suited for a lump sum approach. Entry-level employees and new hires are often strong candidates because their moves tend to be less complex and easier to support through a streamlined program. More senior employees or complex move scenarios may require additional guidance, services, or exceptions.

Define Your Program Objectives

Before determining funding levels, establish what the program is intended to accomplish. Common objectives include cost control, recruiting support, administrative simplicity, faster deployment, and increased employee flexibility. Program objectives should drive design decisions.

Establish a Funding Methodology

Organizations use a variety of approaches to determine lump sum amounts:



Select a methodology that aligns with your organization's culture, governance requirements, and mobility objectives.

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Consider Payment Timing

Even generous lump sums can create challenges if employees must cover significant upfront expenses before receiving funds. Consider how and when payments will be delivered so employees can manage deposits, travel costs, and moving expenses without unnecessary disruption.

Evaluate Support Beyond Cash

While 58% of lump sum policies provide cash only, many organizations selectively add services for higher-cost or more complex move components. Household goods support is the most common supplemental benefit (73%). Thoughtful service layering can improve the employee experience without sacrificing flexibility.

Measure Success

Regularly review employee feedback, exception requests, utilization patterns, declined relocations, and satisfaction metrics. Ongoing program reviews help ensure funding levels and support structures remain aligned with business and employee needs.



By the Numbers

Who Receives a Lump Sum?

Among the organizations studied:

- 56% primarily provide lump sums to entry-level employees and new hires
- 39% determine eligibility through business discretion
- 3% provide lump sums across all employee levels
- 3% base eligibility on salary criteria

(totals do not add up to 100% due to rounding)

These findings reinforce that most organizations view lump sums as a targeted mobility solution rather than a one-size-fits-all approach.

Lump Sum Amount Distribution

- 36% provide less than \$5,000
- 14% provide \$5,000 to \$10,000
- 22% provide \$10,001 to \$20,000
- 17% provide \$20,001 to \$50,000
- 3% provide more than \$50,000
- 8% use variable or complex calculation models

Overall, approximately half of participating organizations provide lump sums of \$10,000 or less, reflecting a continued focus on cost control and early-career populations.

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Additional Program Findings

- 89% provide employees with access to managed support services
- 8% provide self-service tool access
- 14% provide both managed support and self-service tools

Percentages overlap. Policies with both managed services and self-service tool access are included in both totals below. In one policy, guidance and support are available only if the employee encounters issues entering banking information.

These findings suggest that even in simplified programs, organizations recognize the value of giving employees access to expert guidance.



100% of sampled programs gross up lump sum for tax purposes.

Employee Satisfaction

Among the One of the most notable findings is that 53% of organizations do not formally track employee satisfaction with lump sum programs. Among those that **do** measure satisfaction, reported results range from 99% to 100%.

When evaluating your own program, consider the following questions:

- Are employees requesting exceptions?
- Are employees experiencing significant out-of-pocket expenses?
- Are employees declining relocation opportunities?
- Do employees have access to the support they need?
- Is employee satisfaction being measured and reviewed?

The answers can help determine whether the program is effectively balancing cost control, flexibility, and employee experience.



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The Bottom Line

Lump sums have evolved from a cost-control alternative into a strategic mobility choice, giving organizations a way to balance flexibility, scalability, employee choice, and cost predictability.

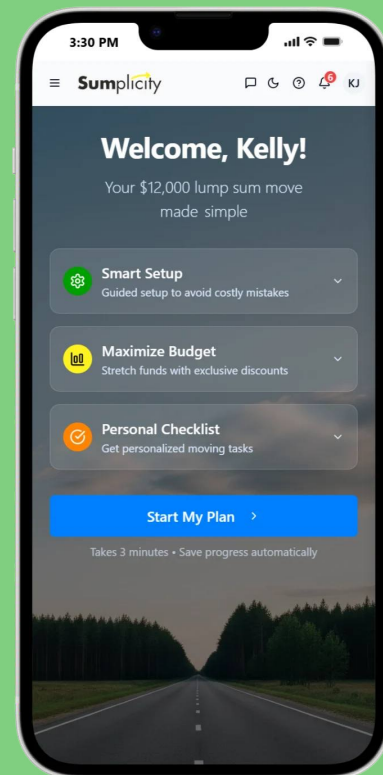
So, what is the average lump sum? Benchmarking can point you in the right direction, but there's no universal number that works for every organization. The right amount depends on your talent strategy, culture, business goals, and employees' relocation needs.

The strongest programs look beyond the dollar amount. Eligibility, funding methodology, payment timing, supplemental services, and expert guidance all shape results. Ultimately, success—for both your mobile talent and your mobility program—comes from aligning funding, support, and employee experience with each move's complexity and your business objectives.

Sumplicity

When Lump Sums Meet Smarter Tech

Research shows that employees continue to value expert guidance, even within cash-based relocation programs. **Sumplicity®** combines the flexibility of a lump sum with technology, resources, local expertise, and personalized support to help employees make informed relocation decisions and transition successfully.



For more information on lump sum program design, mobility strategy, or relocation best practices, contact the Weichert Advisory Services team.

Email us at solutions@weichertwm.com

Or visit us at weichertworkforcemobility.com