

Relocation Allowance for Employees

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I. Purpose

To ensure that the University helps offset relocation expenses for employees where this benefit would serve as significant recruiting tool and to ensure departments communicate tax implications to employees and comply with state and federal tax laws.

II. Policy

The University may provide a relocation allowance payment to an employee when it is in the best interest of the University for an employee to move from one location to another. The relocation allowance payment may be offered to assist in certain expenses incurred for relocation, house-hunting, and/or temporary housing, and dependent on department/college funding. Departments will work with the employee to determine the maximum amount(s) to be allowed for relocation, house-hunting, and/or temporary housing and these amounts should be included in the letter of offer to the employee. A copy of the letter of offer must accompany the appropriate University forms when payment is processed.

Since the University offers a relocation allowance rather than reimbursing actual expenses, payments under this policy cannot be charged to sponsored projects.

III. Responsibilities

A. Department

1. Determine maximum amount of house-hunting, temporary housing and relocation expenses and state amounts in the letter of offer. See section IV. Procedures for the maximum amounts that can be offered.
2. Obtain appropriate level of approvals based upon position type prior to including in the letter of offer.

Position type	Approver
Dean	Provost
Faculty	Dean
President Direct Reports	President
Staff	Provost , Executive Vice President or Vice President for Research

3. Enter employee in SAP with the appropriate hire date.
4. Initiate house-hunting allowance, temporary housing allowance or relocation cash payment option through the payroll system by [payroll calendar](#) deadlines using the appropriate wage type.

B. Human Resources

1. Review processed PAR for relocation, house-hunting, and temporary allowances and confirm amounts agree with offer letters and appropriate wage type used.

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- C. University Financial Services
 - 1. Process relocation allowance payment on next scheduled payroll date, withholding applicable income and employment taxes.

IV. Procedures

- A. Payments
 - 1. Payments will be made through the University's payroll system and are subject to withholding of applicable income taxes and employee taxes. Payments will be reported as taxable wages on the employee's W-2 form.
- B. House-Hunting Allowance
 - 1. An allowance may be provided by the department to cover house-hunting expenses, such as airline costs, hotels or auto rental agencies. The department shall determine maximum amount of allowance for the expenses and state amount in the letter of offer, not to exceed a maximum of \$7,500.
 - 2. The new employee's hiring information must exist in SAP and the department shall create an additional payment to pay for the house-hunting allowance using wage type 2600.
- C. Temporary Housing Expenses
 - 1. An allowance may be provided by the department for temporary housing expenses. The amount must be stated in the letter of offer and may not exceed \$1,500 per month for a maximum of three months.
 - 2. The new employee's hiring information must exist in SAP and the department shall create an additional payment to pay for the temporary housing expense allowance using wage type 2090 housing allowance.
- D. Relocation Expenses
 - 1. An allowance may be provided by the department for relocation expenses. The maximum amount must be stated in the letter of offer and the amount may not exceed \$10,000.
 - 2. The new employee's hiring information must exist in SAP and the department shall create an additional payment for the relocation expenses using wage type 2600.