

UNIVERSITY POLICY

Policy Name:	<u>Employee Relocation Expense Reimbursement</u>				
Section #:	<u>40.2.22</u>	Section Title:	<u>Fiscal Management</u>	Formerly Book:	<u>6.1.13</u>
Approval Authority:	<u>Executive Vice President for Finance and Administration and University Treasurer</u>	Adopted:	<u>1988</u>	Reviewed:	<u>08/27/2018</u>
Responsible Executive:	<u>Vice President for Finance and Budget</u>	Revised:	<u>09/29/2000; 04/04/2004; 05/02/2005; 08/24/2006; 07/24/2007; 04/2008; 10/01/2013; 10/23/2013; 08/27/2018</u>		
Responsible Office:	<u>University Controller's Office (Tax Department & Payroll Services) and University Procurement Services</u>	Contact:	<u>University Controller's Office: Tax Dept.: 848-445-2054 Payroll Services: 848-445-2113 University Procurement: 848-445-4375</u>		

Section: 60.1.6

Section Title: Universitywide Human

Policies & Procedures

Policy Name: Employee Relocation

Formerly Book: 6.1.13

Approval Authority: Senior Vice President for Administration

Responsible Executive: Senior Vice President for Administration

Responsible Office: University Human Resources

Originally Issued: 1988

Revisions: 9/29/2000; 4/4/2004; 5/2/2005; 8/24/2006; 7/24/2007; 4/2008; 10/1/2013; 10/23/2013

Errors or changes? Contact: policies@hr.rutgers.edu

1. Policy Statement

It is theThe policy outlines the procedures of Rutgers University (the "**University**") to be followed when extending offers to prospective employees that may haveprovide reasonable, necessary, and appropriate "**relocation expenses**." (as defined below) for new employees.

It is the responsibility of each department to ensure that any covered expenses qualify as relocation expenses and to bear such relocation expenses within its budget.

00022067.1

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

2. Reason for Policy

To provide guidance and clear information as to how to proceed with a new employee on the payment of relocation expenses for new employees.

3. Who Should Read This Policy

All members of the Rutgers University community

4. ~~Related Documents~~

~~Credited Leave Carryover for Staff Employees Transferring between Rutgers Schools/Units involved in recruiting and hiring new employees.~~

4. ~~Resources~~ Transitioning from State, County and Local Agencies

Procedures to Rutgers implement this policy are posted on the following websites:

a. Office of the University, 60-1.20 Controller:

University Tax Department ("Tax"): Procedure for Reimbursement of Relocation Expenses

University Payroll Services ("Payroll"): Taxable Moving Expense Reimbursement Form – Fillable PDF Version

University Procurement Services ("Procurement"): <https://procurementservices.rutgers.edu/process-employee-relocation-reimbursement>

5. Definitions

The term **relocation expenses** means the reasonable and actual costs incurred for (1) moving personal household effects to a location within proximity to the campuses of the University; (2) travel expenses to relocate the new employee, the new employee's spouse, and the new employee's dependent children to a new place of residence within proximity of the campuses of the University; (3) moving laboratory/office equipment to a location that is a University office, laboratory, or place of business; (4) the cost of short-term storage of household effects; and (5) shipment of automobile(s) to the employee's new residence within proximity to the campuses of the University. Actual costs are monies expended to compensate for hired labor and equipment to load, move, and unload tangible property.

Examples of such costs include the rental of trucks, trailers, moving equipment, or other expenses directly related to the relocation. Relocation Expenses do not include compensation for labor of a new employee or a new employee's spouse/dependents. Relocation Expenses must be supported by original receipts.

~~b. Rutgers positions- TABER at <http://rias.rutgers.edu/Forms/Travel/expense.doc>~~

~~c. Rutgers positions- www.ruttravel.rutgers.edu~~

~~d. Legacy UMDNJ positions- Banner Request for Check Form at <https://my.umdni.edu/cp/home/displaylogin>~~

~~e. Legacy UMDNJ positions reimbursement form- <http://rbhs.rutgers.edu/facultyaffairs/PDF/Rutgers%20Employee%20Relocation%20Form.pdf>.~~

5. ~~Contacts~~

~~University Human Resources: 848-932-3020~~

00022067.1

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

6. The Policy

~~60.1.6~~ **EMPLOYEE RELOCATION**

A. ~~Policy~~

~~When extending offers to~~ The University may provide relocation expenses for new employees. At the time an offer is extended to a prospective employee at one of Rutgers' campuses, the hiring department may elect to directly pay for, or reimburse, some of the new employee's reasonable, necessary, and appropriate costs of relocating his or her family and personal possessions to a new location in proximity to the University's campuses. This that new employee's relocation expenses. The decision of whether to cover relocation expenses and the extent to which such relocation expenses will be covered should be guided using, at least, a minimum, by the following criteria:

- The hiring department's access to budgetary resources;
- The total estimated relocation expenses;
- The benefits that accrue to the University and the hiring department as a result of the new ~~hire;~~employee; and
- The nature of the position being filled by the new employee.

~~Unless otherwise provided in this policy, exceptions to any provision of the policy will require written approval from one of the following, or a designee:~~

- ~~Executive Vice President for Academic Affairs~~
- ~~Senior Vice President for Administration~~
- ~~Chancellor for the Camden Campus~~
- ~~Chancellor for the Newark Campus~~
- ~~Chancellor for Biomedical Health Sciences~~

B. ~~Responsibility~~

The hiring department must cover all approved relocation expenses within such department's own budget. It is the hiring department's responsibility to ensure that all costs to be borne by its budget qualify as relocation expenses.

A. Payment or Reimbursement of Relocation Expenses

Relocation expenses may be paid directly by the University through Procurement. Procurement, upon notification by the hiring department,

~~The moving of household and laboratory goods is usually performed through the Purchasing Department ("Purchasing") in situations where university funds are to be expended for the relocation of faculty and staff who are newly hired by the university and/or are being transferred to a new University location. Household and laboratory goods may be moved separately. Deans, directors or department chairpersons should contact Purchasing if their expertise is needed.~~

C. ~~Process~~

~~If contacted, Purchasing will contact~~coordinate with the new employee ~~directly to assist in the new employee in choosing~~selection of a University approved commercial moving company to perform the move, ~~monitor the move's progress, and finalize~~ and complete the necessary billing

00022067.1

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

procedures. The hiring department is responsible for issuing ~~must submit~~ a purchase requisition to Purchasing/Procurement for approval. Upon approval, Purchasing, Procurement will then forward an ~~approved~~ purchase order to the ~~awarded~~ selected moving company.

~~D. Reimbursable Expenses~~

~~The hiring department may permit a new employee to make It is the policy of Rutgers University to pay the standard charge for the moving of personal household and/or laboratory effects to the New Jersey vicinity. Following receipt of the acceptance of the offer of appointment, Purchasing will contact the new appointee to arrange for estimates of the moving costs. Items that might be considered questionable should be cleared with the appropriate dean or director.~~

~~E. Relocating Without a Commercial Carrier~~

~~Should a new appointee elect to relocate himself or herself, relocation arrangements with subsequent reimbursement for such a relocation is limited to the actual, reasonable, and necessary costs for any hired labor in loading and unloading the household goods for the rental of trucks, trailers, moving equipment, or other. All expenses directly related to the relocation. Neither the appointee nor his or her spouse or dependents may be reimbursed for labor. The submitted for reimbursement claim must be supported by an original receipt(s) continue to fall within the definition of Relocation Expenses set forth in section 5 of this Policy. Estimates are not required for self-moves. Reimbursement of expenses incurred under this policy is subject to the presentation of original receipts and other documentation as approved by the dean, director, vice president, or a designee.~~

~~F.B. Travel Expenses~~

~~In addition to the moving costs, Rutgers University Relocation expenses may pay include travel expenses of the new employee and such employee's spouse and dependent children if such expenses are associated with the relocation to include his or her spouse and dependent children, to a maximum of lowest logical coach class airfare by the most direct route from their place of current residence to the New Jersey vicinity. Travelers are strongly encouraged to use the services of Rutgers' preferred travel agencies. For more information, visit the travel website at www.ruttravel.rutgers.edu. Other expenses that may be reimbursed under this policy include:~~

- ~~1. The their relocation. Such travel expenses may include the (1) cost of meals and accommodations required in transit.~~
- ~~2. The, and (2) cost of travel required in advance of the relocation for the sole purpose of searching for a new residence in the New Jersey vicinity within proximity to the campuses of the University. In order to qualify as reasonable, such travel expenses must not exceed the lowest logical coach class airfare by the most direct route from the new employee's place of current residence to the vicinity of the University's campuses. Departments are expected to strongly encourage travelers to use one of the University's preferred travel agencies to book their arrangements. Users are referred to the travel website at <https://procurementservices.rutgers.edu/travel>.~~

~~7. The cost Taxation of Relocation Expenses~~

- ~~3. All short term storage of furniture, shipment of car(s) and house hunting relocation expenses necessary for (except the move expenses of moving laboratory equipment or office equipment from a previous office to a University office), incurred during the calendar years 2018 through 2025, constitute taxable income to the employee pursuant to the enactment of the Tax Cut and Jobs Act~~

00022067.1

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

of 2017 (Pub. L. 115-97). Previously, Federal law drew a distinction between “qualified” moving expenses and other expenses. “Qualified” moving expenses could be paid or reimbursed on a non-taxable basis. That is no longer the case for calendar years 2018 through 2025. All relocation expenses must be included in the employee’s taxable income and are subject to all applicable withholding taxes.

The hiring department, in its discretion and subject to the availability of funds, may provide a gross-up of the reimbursement to cover Federal income taxes incurred for relocation expenses paid by the University.

8. Questions and Assistance

G. The Taxes

1. Summary of Applicable Federal Tax Regulations

~~This section is provided as a convenience to employees and summarizes federal tax regulations regarding the exclusion of “qualified” moving expenses from federal income tax. Internal Revenue Service’s regulations are subject to change. In the event of a relevant change, Rutgers will be obligated to adjust its procedures to comply with revised federal regulations.~~

~~The payment or reimbursement is subject to income and employment taxes when it is made for anything other than “qualified” moving expenses. Moving expenses are considered “qualified” only when the employee is required to move to a new job location which is at least 50 miles farther from his or her old home than his or her old job was from his or her old home. In addition, “qualified” moving expenses are limited to the following items:~~

- ~~a. Reasonable expenses for moving household goods and personal effects from the former residence to the new residence; and~~
- ~~b. Reasonable expenses for traveling (including lodging, but not meals) from the former residence to the new place of residence. Only one trip made by the employee and members of his or her household is considered “qualified”. If travel to the new residence is by car, cost may be figured by either the actual expense for gas and oil as documented by receipts or the allowable standard mileage rate of twenty cents per mile when driving your own vehicle. Parking fees and tolls also qualify.~~

~~All other payments or reimbursements for moving expenses, including house-hunting trips, commuting costs, temporary living expenses, meals and real estate closing costs, are taxable to the employee and subject to withholding. Reimbursement is determined by the dean, director, or vice president.~~

~~Accordingly, a department seeking to relocate an employee must be aware of the distinction between “qualified” (non-taxable) and other (taxable) moving expenses, and process the payment or reimbursement request(s) in accordance with the procedures enumerated below.~~

2. Procedures Regarding the Reimbursement of TAXABLE Moving Expenses

- ~~a. Rutgers Positions: following offices are available for~~

00022067.1

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

All payments to employees within Rutgers positions for taxable moving expenses should be processed as Additional Pay within RIAS payroll via the Taxable Moving Expense Reimbursement Form.

Scan and attach a detailed itemization of the expenses being paid. Unless the payment represents a flat allowance for non-qualified moving expenses, departments should obtain receipts and/or other documentation supporting the amount of the payment for their records.

The Taxable Moving Expense Reimbursement Form or purchase order must be approved by the department's dean, director, vice president, or a designee.

b. Legacy UMDNJ Positions:

All payments to employees within legacy UMDNJ positions for taxable moving expenses are to be submitted on the Banner Request for Check Form.

The form is to be forwarded to Payroll Services to be processed as Other Pay within the Banner Payroll system.

Indicate in the Comments section that the payment is for "Employee Relocation" and attach a detailed itemization of the expenses being paid. Unless the payment represents a flat allowance for non-qualified moving expenses, departments should obtain receipts and/or other documentation supporting the amount of the payment for their records.

The completed and signed Employee Relocation: Reimbursement for Faculty Form must be attached to the Banner Request for Check Form.

Requests for reimbursement of lodging expenses, regardless of cost, and any other itemized expense must be accompanied by the original receipts.

The Banner Request for Check Form must be approved by the department's dean, director, vice president, or a designee.

3. Procedures Regarding the Direct Payment of NON-TAXABLE (Qualified) Employee Moving Expenses to Third Party Vendors

Departments may coordinate the procurement of moving services (transportation of household goods and personal effects) through Purchasing or obtain a bid on their own. Purchasing has negotiated discount arrangements with several vendors.

a. Rutgers Positions:

All non-taxable employee moving expenses must be charged to natural account 3550.

Purchase orders for employee moving expenses must be approved by the department's dean, director, vice president, or a designee.

b. Legacy UMDNJ Positions:

All non-taxable employee moving expenses should be charged to account code

00022067.1

602606 "Moving Expense".

Purchase orders for employee moving expenses must be approved by the department's dean, director, vice president, or a designee.

4. ~~Procedures Regarding the Reimbursement of NON-TAXABLE (Qualified) Moving Expenses~~

a. ~~Rutgers Positions:~~

~~All non-taxable moving expenses must be clearly identified as such and itemized on a Travel and Business Expense Report (TABER).~~

~~Requests for reimbursement of lodging expenses, regardless of cost, and any other itemized expense must be accompanied by the original receipts.~~

~~All non-taxable employee moving expenses must be charged to natural account 3550.~~

~~The TABER must be approved by the department's dean, director, vice president or designee.~~

b. ~~Legacy UMDNJ Positions:~~

~~All payments to employees within legacy UMDNJ positions for non-taxable moving expenses are to be submitted on the Banner Request for Check Form.~~

~~The form is to be forwarded to Payroll Services to be processed as Other Pay within the Banner Payroll system.~~

~~Indicate in the Comments section that the payment is for "Employee Relocation" and attach a detailed itemization of the expenses being paid. Unless the payment represents a flat allowance for non-qualified moving expenses, departments should obtain receipts and/or other documentation supporting the amount of the payment for their records.~~

~~The completed and signed Employee Relocation: Reimbursement for Faculty Form must be attached to the Banner Request for Check Form.~~

~~Requests for reimbursement of lodging expenses, regardless of cost, and any other itemized expense must be accompanied by the original receipts.~~

~~All non-taxable employee moving expenses should be charged to account code 602606 "Moving Expense".~~

~~The Banner Request for Check Form must be approved by the department's dean, director, vice president, or a designee.~~

H. ~~Information That Will Appear on the Form W-2~~

~~Qualified non-taxable reimbursements for moving expenses will be reported on the employee's W-2 Form in Box 13, preceded by Code "P".~~

00022067.1

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

Qualified non-taxable moving expenses paid to a third party for an employee will not be reported at all on Form W-2.

Taxable reimbursements for moving expenses submitted through RIAS (or Banner Request for Check Form, for legacy UMDNJ employees) will be included in Box 1, Wages, Tips, and Other Compensation.

~~For further information and assistance on this matter, please call the Assistant Controller for Payroll Services at 848-445-5052 or the University Tax Director at 848-445-2054.~~

	<u>Telephone</u>
<u>Payroll Services</u>	<u>848-445-2113</u>
<u>Procurement Services</u>	<u>848-445-4375</u>
<u>Tax Department</u>	<u>848-445-2054</u>