

BUS-005 Employee Transition Allowance Policy

To enable the University of Massachusetts Dartmouth to be competitive in the employment market and to be able to attract and retain a competent work force, it may be necessary to defray an employee's relocation expenses. Relocation is becoming increasingly common. Policies that assist to ease the employee's financial and personal impact of relocation and transfer are both a business necessity and a morale booster.

The Dartmouth Campus may provide a transition allowance for the sum of actual, allowed moving expenditures. Payment is allowed up to the maximum individual reimbursement rates or the maximum aggregate transition allowance reimbursements limit as prescribed in this policy.

All transition allowance reimbursements shall comply with the terms and conditions of the University of Massachusetts Dartmouth Employee Transition allowance Reimbursement Policy as prescribed herein.

Eligibility and Authorization

The Chancellor, Vice Chancellors, and Deans are authorized in their discretion to decide whether to offer transition allowances on a case-by-case basis up to the limits set forth in this policy.

This Employee Transition Allowance Policy and the Relocation and Transition Allowance Agreement must accompany all employment offers where the University is agreeing to provide relocation support. Transition allowances are limited to fulltime faculty and non-unit employees. Vice Chancellors may make exceptions to anyone not hired as full-time faculty or non-unit employees, however, all reimbursements and approvals must comply with the maximum aggregate transition allowance reimbursements limit as described below.

When officially hired but prior to incurring any expenses, the new employee and the Dean and/or Vice Chancellor shall sign the appointment letter stating the terms and conditions associated with receipt of any transition allowance. The signed letter must be on file in the Office of Human Resources. A copy of the signed appointment letter shall be forwarded to the Controller.

The maximum aggregate transition allowance shall not exceed 10% of the employee's base salary or \$15,000, whichever is less. However, the Chancellor, Vice Chancellors, and Deans have the authority to set a lower limit. All moving allowances must be approved by the Vice Chancellor for Administration & Finance and the Vice Chancellor for Talent & Chief Diversity Officer.

No payments for transition allowances will be paid to the employee until on or after the start of employment. Please see caution note on page 5.

Repayment of Transition Allowance

In the event a newly hired employee does not remain employed with the University for the required period of employment as stated in appointment letter, whether due to the employee's resignation, termination or otherwise, pursuant to this policy, the employee is liable to repay the University, on a prorated basis, the amount of the transition allowance which the University has paid to the employee

Repayment amounts shall be prorated as set forth below. Unless a shorter time period is specified in the Relocation and Transition Allowance Agreement, if employee's employment with the University ends:

- Within one (1) year of the employee's official beginning date of employment, the employee shall be required to pay back all (100%) of the transition allowances.
- More than one (1) year but less than two (2) years from the employee's official date of employment, the employee shall be required to pay back that portion of the transition allowances that exceeds \$5,000.
- More than two (2) years but less than three (3) years from the employee's official date of employment, the employee shall be required to pay back that portion of the transition allowances that exceeds \$10,000.

Transition Allowance Payments

The Campus Controller is responsible to ensure that all transition allowances paid by the University are either paid through the Office of Human Resources via the University Payroll Office. A "Transition Allowance Tax Form" must be prepared. The Campus Payroll Office is responsible for payroll tax reporting and withholding on transition allowance payments.

Departmental Funding of Transition Allowance

The payment of moving, relocation, and temporary housing expenses for faculty and staff members from department current expenditure funds may be authorized to the extent that funds are available and approved in advance by the appropriate department head. Additional approval by the Principal Investigator is required when appointee's expenses are to be paid from a grant or contract.

Allowable Transition Expenses

UMass Dartmouth will only pay for appropriate relocation expenses. In general, the following are considered to be appropriate, allowable expenses:

- Expenses for moving household goods and personal effects (including packing expenses)
- Transportation expenses (airfare, mileage, etc.) for the employee and family during the move from the employee's former residence to their new residence.
- Lodging expenses for employee and family during move from former to new residence
- Meal expenses for employee and family during move from former to new residence

All travel costs include only the cost between former and new residence by the shortest and most direct route.

Qualified Transition allowances Paid to Employees:

If an employee receives a transition allowance from the University, the appropriate taxes are calculated and withheld prior to issuance of allowance. The employee will receive the agreed upon allowance net of tax withholding (gross allowance – withheld taxes = net allowance).

Unallowable Moving/Temporary Housing Expenses

The following expenses are not appropriate, allowable expenses:

- Cost of breaking a lease
- Cost of selling or buying a new house
- Security deposits or last month's rent
- Moving animals other than household pets
- Cost of connecting or disconnecting appliances or utilities
- Moving non-household goods
- Repairs/remodeling of new or former home
- Cost of disposing contents of former home

Caution

Payments to new employees for out of pocket transition allowances they incur will not be available until the new employee starts receiving compensation through Human Resources. The University is required to report payments to or on behalf of an employee for moving household goods or related expenses to the Internal Revenue Service and Massachusetts Department of Revenue.

Questions regarding Transition allowances may be referred to the Controller's Office - Suzanne Audet @ saudet@umassd.edu or 508 999-8076

References

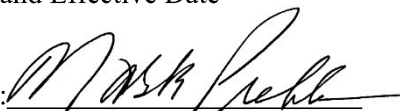
IRS Publication 521, Moving Expenses

https://www.irs.gov/publications/p521#en_US_2018_publink1000203511

Moving Mileage Rates:

<https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2020>

Approval and Effective Date

Approved: 
Mark Preble, Acting Chancellor

Date: October 27, 2020