Employee Moving Expense Reimbursement 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 moving expenses. Relocation is becoming increasingly common. Policies that help ease the employee's financial and personal problems of relocation and transfer are both a business necessity and a morale booster.

The Dartmouth Campus may provide reimbursement for the sum of actual, allowed moving expenditures when accompanied by adequate accounting and documentation. Reimbursement is allowed up to the maximum individual reimbursement rates or the maximum aggregate moving expense reimbursements limit as prescribed in this policy.

All moving expense reimbursements shall comply with the terms and conditions of the University of Massachusetts Dartmouth Employee Moving Expense Reimbursement Policy as prescribed herein.

Eligibility and Authorization

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

This Employee Moving Expense Reimbursement Policy and the Relocation and Moving Expense Agreement must accompany all employment offers where the University is agreeing to provide moving support. Moving expense reimbursement is 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 must comply with the maximum aggregate moving expense reimbursements limit as described below.

When officially hired but prior to incurring any moving expenses, the new employee and the Dean and/or Vice Chancellor shall sign the Relocation and Moving Expense Agreement stating the terms and conditions associated with receipt of any moving expense reimbursement. The signed agreement must be on file in the Office of Human Resources. A copy of this signed agreement shall be forwarded to the Controller.

The maximum aggregate moving expense reimbursement 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.

No payments for moving expenses will be paid to the employee or their designee (i.e. moving company) until on or after the start of employment. Please see caution note on page 5.
Repayment of Moving Expense Reimbursements

In the event a newly hired employee does not remain employed with the University for the required period of employment as stated in Section 4 of the Relocation and Moving Expense Agreement 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 moving expense reimbursement which the University has paid (to or on behalf of the employee).

Repayment amounts shall be prorated as set forth below. Unless a shorter time period is specified in the Relocation and Moving Expense 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 reimbursed moving expenses.
➢ 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 reimbursed moving expenses 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 reimbursed moving expenses that exceeds $10,000.

Moving Expense Payments - The Campus Controller is responsible to ensure that all moving expenses paid by the University are either paid through the Human Resources system or are promptly reported to the Campus Payroll Office. A "Moving Expense Tax Form" must be prepared whenever the University reimburses an employee or pays a third party on the employee’s behalf. To be acceptable a form must include the 50-mile test (see below) and group moving expenses into the categories referred to below. The Campus Payroll Office is responsible for payroll tax reporting and withholding on moving expense payments.

Moving, Relocation and Temporary Housing
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. All payments shall be made in accordance with procedures outlined in the Dartmouth Purchasing Policy/Manual.
A. Moving Expense Categories

Moving expense payments made by the University must be separated into the accurate category to ensure proper tax reporting and withholding with the use of the Moving Expense form. The categories as out lined below are nonqualified expenses; qualified expenses paid to employees, or qualified expenses paid to third parties. For a comprehensive publication explaining the deduction of expenses for moving, see IRS Publication 521 (available at www.irs.gov).

1. Nonqualified Moving Expenses: Nonqualified moving expenses are payments by the University for the following:
   a. Temporary living costs
   b. House hunting
   c. The costs of meals consumed while traveling
   d. Storage expenses in excess of 30 consecutive days
   e. Return trips to former residence, etc.
   f. Expenses submitted one year or more from the date the employee first reports to work at the new location.

Whether the employee is reimbursed or the payment goes directly to a third party, these payments must be reported as federal wages in Box 1 of Form W-2 and are subject to income tax withholding and Medicare taxes.

2. Qualified Moving Expenses: Each of the following requirements must be satisfied before classifying an expense as "Qualified”:
   a. The 50 Mile Test
      i. No moving expenses can be excluded from the employee's income unless the employee's new work site is at least 50 miles farther from his former residence than his old work-site was from his old residence.
   b. The Time Test
      i. During the 12 months immediately following the employee's arrival in the new location, the employee is employed full time for at least 39 weeks.
   c. Move is closely related to the start of work: The employee's move must be closely related, both in time (generally within 12 months to start date) and place (generally the distance from the employee's new home to the new job location should not be greater than the distance from the employee's former home to the new job location), to the start of work at the new job location.

3. Qualified moving expenses include the following:
   a. Packaging/Storage/Shipping of household goods (personal effects and property) and the reasonable expense for moving an automobile. The MHEC Interstate Moving Contract must be used for contracting with movers for payments made directly to a company. All moving expenses paid by the University to a moving
company should be requested on a standard purchase order form and charged to account code 761590.

b. **Instructional and research** in addition to the personal household goods outlined above when approved as part of the employee agreement.

c. **Transportation** expenses are the costs for the faculty or staff member and family enroute to the position assigned including lodging, airfare, or mileage (see special IRS mileage rate for moving) using the shortest and most direct route.

d. **Rental Trucks/Trailers** may be authorized if complete documentation is presented that includes receipts for gasoline purchases and truck rental. Reimbursement will be made for the hiring of assistance to help with loading or unloading of household goods when this is the least expensive method.

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

4. **Qualified Moving Expenses Paid to Employees:**
   a. These payments are not taxable income to the employee, are not included in Box 1 of Form W-2, and are not subject to income tax withholding or Medicare taxes. They are reported in Box 12 of Form W-2 and are identified with code P.

5. **Qualified Moving Expenses Paid to Third Parties:** Qualified moving expenses paid directly to third parties (e.g., to a moving company) are not reported anywhere on the Form W-2. All moving expenses paid by the University to a moving company should be requested on a standard purchase order form and charged to account code 761590.

**B. Unallowable Moving/Temporary Housing Expenses**

The following expenses should **never** be paid/reimbursed:

- 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
C. Recordkeeping

The Moving Expense form must be prepared and submitted to the Controller’s Office whenever the University reimburses an employee or pays a third party on the employee’s behalf for moving expenses. If there is more than one payment, a separate moving expense form is required with each payment. Original forms are forwarded to the Payroll Office and copies are kept on file in the Controller’s Office. It is important for incoming employees who have an approved moving allowance to maintain an accurate record of expenses paid to move. Receipts, bills, cancelled checks, credit card statements and mileage logs are all items that should be saved. All receipts must be itemized showing proof of payment.

Caution

Reimbursements to new employees for out of pocket moving expenses they incur will not be available until the new employee starts receiving compensation through Human Resources. All reimbursements should be charged to the “moving expense/moving mileage” expense type, account code 726910, in the Expense Module. 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 Moving Expenses may be referred to the Accounts Payable Office @ 508-999-8057.

D. References

1. IRS Pub 521:
   http://www.irs.gov/formspubs/lists/0,,id=97819,00.html

2. Contract Vendors for Moving:
   http://www.umass.edu/procurement/aboutcont.html

3. Moving Mileage Rates:
   http://www.umass.edu/aco/ap/aptravelmileage.htm
University of Massachusetts
Moving Expense Tax Form

1. Payments: Payment Description Amount Paid or Reimbursement by the University of Massachusetts
   A. Transportation and storage of household goods (storage charges except those incurred in transit and foreign moves - 1C)

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6 Subtotal, Section A: lines 1-5
7. Portion on Section A: line 6 that was paid directly to vendors (3rd party payments)
8. Subtract Part A line 7 from Part A Line 6 (This amount will be reported on the employee’s W-2 in Box 12 with no tax withholdings)

B. Travel and lodging payments for expenses while moving from old to new home (meals, temporary living, house hunting expenses - 1C)
1. Auto mileage reimbursement at 19 cents per mile 2016, use standard mileage rate for period expense was incurred
2. (The University only reimburses up to the IRS mileage rate)

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6 Subtotal, Section B: lines 1-5
7. Portion on Section B: line 6 that was paid directly to vendors (3rd party payments)
8. Subtract Part B line 7 from Part B Line 6 (This amount will be reported on the employee’s W-2 in Box 12 with no tax withholdings)

C. List of all other payments (specify)
1. Temporary living expenses
2. House hunting expenses
3. All expenses incurred more than a year after employee first reported to work
4. All Meals, Food (per diem not allowed, actual receipts required)
5. Storage charges except those incurred in transit and foreign moves, storage for more than 30 consecutive days

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8 Total Section C: lines 1 to 7, Other Payments. (This amount will be reported in the W-2 in Box 1 and the amount will be subject to payroll withholdings.)

Total Payments

2. Is your move to work at UMASS at least 50 miles farther from your former home than your old job location was from your former home?  YES  NO

3. Will you be working full time for at least 39 weeks during the first 12 months of employment?  YES  NO

4. Required Signatures

Employee’s Signature  Employee’s ID #  Department Head’s Signature

Print Employee’s Name  Date  Print Department Head’s Name

A/P Assistant Manager Signature

Print A/P Assistant Manager Name  Date

Controller’s Office Use Only

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Relocation and Moving Expense Agreement

Agreement made on __________________________, between THE UNIVERSITY OF MASSACHUSETTS DARTMOUTH (the University) and __________________________, (Employee).

WITNESS

Whereas, Employee, with an employment date effective __________________________ (Start Date), is a suitable candidate for the position(s) of __________________________ and has entered into an employment agreement with the University; and Whereas, the University and Employee mutually desire to move and relocate Employee’s residence from __________________________, to __________________________ so that Employee’s residence is in the area of Employee’s employment; Now, therefore, the University and Employee agree:

1. Pursuant to the terms of the University’s Employee Moving Expense Reimbursement Policy, found at __________________________, and which are expressly incorporated herein, the University agrees to reimburse or pay on the behalf of Employee an amount not to exceed $ __________________________ for personal moving and relocation expenses incurred for relocating the Employee’s residence. This amount includes payments made on the behalf of Employee by the University to third-party companies and providers. Employee agrees to maintain accurate records of all expenses and to provide detailed receipts for all reimbursement claims. In accordance with University guidelines concerning moving expenses, receipts must be submitted within sixty (60) days of completion of the move to be considered as qualified, nontaxable moving expenses. Expenses submitted for reimbursement after sixty (60) days will be considered taxable income. Employee agrees that only those personal moving and relocation expenses incurred after the date of execution of this Agreement can be submitted for payment or reimbursement. Also, to be considered as qualified, nontaxable moving expense, the move must be made within 12 months of the Employee’s Start Date. Please refer to the Repayment of Moving Expense Reimbursements in Section 4 of this agreement.

2. Applicable federal and state laws require “nonqualified, taxable” reimbursements to relocated employees to be included in the employee’s gross income and “qualified, non-taxable” relocation expenses to be excluded. Qualified, non-taxable moving expenses are defined as the reasonable costs of 1) moving household goods and personal effects from the former residence to the new residence (including common carrier and storage for up to thirty days), and 2) Traveling (including lodging during the period of travel) from the former residence to the new residence. Qualified moving expenses DO NOT include any expenses for meals. All other reimbursements are considered nonqualified and are taxable to the employee. Any amounts which are considered nonqualified will be reimbursed net of tax withholdings and will be reported as income to the Internal Revenue Service. Employee should consult Internal Revenue Publication 521, entitled “Moving Expenses” for reference.

3. Employee acknowledges that reimbursement for out of pocket moving expenses they incur will not be available until the new employee starts receiving compensation through Human Resources.
4. In the event a newly hired employee does not remain employed with the University for the required period of employment as stated in this section 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 moving expense reimbursement which the University has paid (to or on behalf of the employee).

Repayment amounts shall be prorated as set forth below. Unless a shorter time period is specified in the Relocation and Moving Expense 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 reimbursed moving expenses.
- 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 reimbursed moving expenses 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 reimbursed moving expenses that exceeds $10,000.

For faculty appointed on an academic year basis, one year is defined as two concurrent regular academic sessions of fall and spring or spring and fall semesters equal to nine months. For all other annual faculty and employees, one year is defined as twelve months.

5. In the event Employee does not remain employed at the University for the applicable period stated in Section 4 herein, whether due to Employee's resignation, termination or otherwise, Employee will be liable to the University for all or a pro-rated portion of the relocation and moving expenses, which the University has paid (to or on behalf of Employee), and reimbursements and payroll taxes withheld by the University in connection with such expenses. The amount of Employee's liability to the University shall be determined pursuant to the terms set forth in the University's Employee Moving Expense Reimbursement Policy and stated in Section 5 of this Relocation and Moving Expense Policy Agreement. In addition, if Employee does not remain employed full time at the University for at least a period of thirty nine (39) weeks, pursuant to IRS regulations, any amount paid to or on behalf of the Employee for moving expenses not reimbursed back to the University becomes taxable income to the Employee regardless of whether it was originally paid to the Employee as qualified, non-taxable expenses. See IRS Publication 521, Moving Expenses.

6. Employee hereby gives the University an express lien on all salaries, wages, and other sums payable to him/her by the University, for the purpose of securing all amounts due under Section 5 above, and Employee authorizes the University to withhold all amounts so due from the sum payable to Employee by the University. Employee waives all exemptions, which may apply to any amounts so due. Employee agrees to pay to the University upon request any amount which is not so deducted. In the event Employee fails to pay all amounts due the University within thirty (30) days of the University's request, Employee acknowledges and agrees that the University may undertake collection efforts including but not limited to referral to a collection agency. Employee agrees to pay all the collection costs incurred by the University, including attorney fees and other charges necessary for the collection of any amount due the University hereunder.

7. If employee fails to remain employed by the University as indicated in Section 1 above for reasons beyond his/her control considered sufficient by the University, all or part of the Employee's liability under Section 5 may be waived by the University in its discretion. Any such waiver must be approved in writing by the hiring department. The hiring department, Dean or Vice Chancellor, or Principal Investigator whose account(s) paid for Employee's move must promptly notify the Payroll Department if Employee does not remain employed by the University.
for at least one year. However, the IRS 39 week full time employment rule shall govern and any amount paid for moving expenses not reimbursed back to the University becomes taxable income to the Employee regardless of whether it was originally reimbursed as qualified, non-taxable expenses. See IRS Publication 521, Moving Expenses.

8. The University will not reimburse the Employee, nor make payments to third party movers on the behalf of the Employee, for moving expenses and relocation expenses already reimbursed or to be reimbursed by another entity.

9. The University shall have no responsibility or legal liability for goods damaged as a result of the Employee's relocation. Employee hereby releases and discharges the University from any such claims, damages or losses. Employee must make any claim for damage to household goods in transit directly to the moving company.

ACCEPTANCE

Employee acknowledges having read and understood this Agreement; agrees to be bound by its terms and conditions; and agrees that this Agreement constitutes the entire agreement with the University with respect to the matters contained herein.

________________________________________ Date
Employee Signature

________________________________________
Employee Name (Print or Type)

________________________________________ Date
Dean/Vice Chancellor Signature

________________________________________
Dean/Vice Chancellor Name (Print or Type)

Revised March 2016