



## RUTGERS POLICY

**Section:** 60.1.6

**Section Title:** Universitywide Human Resources Policies & Procedures

**Policy Name:** Employee Relocation

**Formerly Book:** 6.1.13

**Approval Authority:** Senior Vice President for Finance and Administration

**Responsible Executive:** Senior Vice President for Finance and 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

Errors or changes? **Contact:** [policies@hr.rutgers.edu](mailto:policies@hr.rutgers.edu)

1. **Policy Statement**  
The policy outlines the procedures to be followed when extending offers to prospective employees that may have relocation expenses.
2. **Reason for Policy**  
To provide guidance and clear information as to how to proceed with a new employee relocation.
3. **Who Should Read This Policy**  
All members of the Rutgers University community
4. **Related Documents**  
Travel Reimbursement Forms and Information: <http://www.ruttravel.rutgers.edu/>
5. **Contacts**  
University Human Resources: 732-932-3020
6. **Policy**

### 60.1.6 EMPLOYEE RELOCATION

#### A. Policy

When extending offers to prospective employees at one of Rutgers' campuses, the hiring department may elect to pay for, or reimburse, some of the new employee's costs of relocating his or her family and personal possessions to a new location in proximity to the University's campuses. This decision should be guided using, at least, the following criteria:

- The hiring department's access to budgetary resources;
- The total estimated relocation costs

- The benefits that accrue to the University and the hiring department as a result of the new hire;
- 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 Finance and Administration  
 Chancellor for the Camden Campus  
 Chancellor for the Newark Campus

B. Responsibility

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 the new employee directly to assist the new employee in choosing a commercial moving company to perform the move, monitor the move’s progress, and finalize billing procedures. The department is responsible for issuing a purchase requisition to Purchasing for approval. Purchasing will then forward an approved purchase order to the awarded moving company.

D. Reimbursable Expenses

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, reimbursement for such a relation 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 expenses directly related to the relocation. Neither the appointee nor his or her spouse or dependents may be reimbursed for labor. The reimbursement claim must be supported by an original receipt. 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. Travel Expenses

In addition to the moving costs, Rutgers University may pay travel expenses 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](http://www.ruttravel.rutgers.edu). Other expenses that may be reimbursed under this policy include:

1. The cost of meals and accommodations required in transit.
2. The cost of airfare required in advance of the relocation for the sole purpose of searching for a new residence in the New Jersey vicinity.
3. The cost of short-term storage of furniture, shipment of car(s) and house hunting expenses necessary for the move.

G. 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 Services 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

All payments to employees for taxable moving expenses may be processed as Other Pay on a payroll Time Report Form (TRF) or through a purchase order.

Indicate in the comments section of the TRF 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 TRF or purchase order 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.

All non-taxable employee moving expenses **must** be charged to subcode **3550**.

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

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 subcode **3550**.

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

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 on a TRF 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 732-445-5052 or the University Tax Director at 732-445-2054.