335.1 POLICY

The payment or reimbursement of moving expenses may be offered to prospective employees when the hiring department believes such an offer is a critical factor in securing a highly qualified applicant for a faculty or administrative position. In determining the appropriate payment amount, the department should consider factors such as unusual qualifications and/or needs of the applicant, competitiveness of the applicable job market, budget available, and estimated relocation costs.

The hiring department head will negotiate with the new employee and determine an agreeable relocation plan in writing prior to the time the move takes place. The hiring department is responsible for covering the agreed-upon cost of relocation assistance.

335.2 PAYMENT OR REIMBURSEMENT TO THE NEW EMPLOYEE

The University complies with IRS regulations as outlined in Publication 521 regarding payments or reimbursements made directly to the new employee for moving expenses. These are treated as additional income and are subject to payroll taxes.

335.3 DIRECT PAYMENT TO COMPANIES

Generally, moving expenses paid by the University directly to a commercial moving company are non-taxable to the new employee. Departments are required to use state contracts available through Purchasing and Contract Services unless a less expensive option is available.
Payments made directly to companies for taxable expenses are treated as additional income and are subject to payroll taxes. Examples of taxable expenses include payments to airlines or hotels for house-hunting trips.

335.4 TAXABILITY OF REIMBURSEMENTS FOR MOVING EXPENSES

Non-taxable reimbursements for moving expenses include:

- Cost of moving ordinary and customary personal and household goods
- Mileage allowance for the employee and/or family to move to the new location.
- Traveling (including lodging but not meals) to your new home

Taxable reimbursements for moving expenses that are subject to payroll taxes include:

- Insurance provided by the moving firm for packing and shipping your household goods and personal effects
- Costs associated with a trip to locate new housing

Almost all other moving related expenses are taxable, including house-hunting trips and temporary lodging. (See IRS Publication 521 “Moving Expenses,” for detailed information on non-taxable and taxable moving expenses.)