Employee Moving Expenses

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Scope

All campus units requesting to process payment of or to reimburse an employee for qualified moving expenses.

Policy Statement

This policy ensures compliance with University, Department of Administrative Services (DAS), and Internal Revenue Service (IRS) policy regarding the payment of or reimbursement to an employee for qualified moving expenses. Employees who have been asked to relocate at the request of the University may be eligible for certain moving related expenses if they have been pre-approved in writing by the appropriate Chair, Director, Dean, Vice Chancellor and Chancellor. Reimbursement may be for actual out-of-pocket expenses or for a pre-approved dollar amount.
Limitations

- The distance between the employee's former home and the new job location must increase at least 50 miles over the distance between the former home and the old job location.
- The employee must meet IRS time tests (work category and schedule) in order to deduct moving expenses.
- A regular full-time employee who is relocated to another geographical area at their own request and for their personal benefit shall not be reimbursed.
- The cost of moving an employee’s household goods and personal effects will only be eligible for reimbursement one time, from the former home to the new home (or a storage unit) within the area of the new job location.
- Moving expenses may not be incurred by the employee later than one year from the date the employee begins employment at UNK.
- Reimbursable expenses must be presented to Accounts Payable within 60 days of when the employee paid or incurred them.

Qualified Expenses – (Not Reportable as Income on employee’s W-2)

- The cost of transportation of the employee and members of their household from the former home to the new home. The employee and members of their household do not have to travel together or at the same time, but eligible expenses are only for one trip per person.
- The cost of transporting household goods and personal effects. When a commercial carrier is used, two bids are required. The University currently has household moving contracts with various moving companies. See http://unkcms.unk.edu/bf/ files/p_and_p_linked_files/moving_companies.pdf or contact Business Services and Accounts Payable (308-865-8525) for more information on these contracts and to arrange for payments to be made by UNK directly to the moving company. Actual, reasonable costs may be paid for a self-move at the University’s discretion including rental of personal property (van, trailers, two-wheel carts, etc.). The cost of traveling from the former home to the new home should be by the shortest, most direct route available by conventional transportation.
- The cost of lodging en route during the actual move, subject to standard IRS limitations.
- The cost of relocating two (2) personal vehicles from the former home to the new job location. Note: Reimbursement is limited to one way and for one trip for each personal vehicle.

Non-qualified (Reportable and subject to withholding for income, social security and Medicare taxes)

- The cost of meals subject to standard IRS limitations.
- Expenses of traveling (including meals and lodging) from the former home to the new place of employment for the principal purpose of searching for a new home. Reimbursement is limited to two (2) pre-move house-hunting trips.
• Temporary living expenses for up to thirty (30) days at the new job location. Contact Business Services and Accounts Payable for possible UNK contracts with motels and hotels.

Reason for Policy

The IRS has outlined what moving expenses are or are not deductible on an individual’s federal tax return in Publication 521. The State of Nebraska and the University of Nebraska use this as a guide to identify and reimburse certain moving expenses under the University’s accountable plan and to determine what reimbursed expenses are or are not to be included in the employee’s taxable income as reported on their W-2.

Procedures

Offer/Contract Letter

UNK will only process payment of or reimburse an employee for qualified moving expenses if the moving expenses have been pre-approved in writing by the appropriate Chair, Director, Dean, Vice Chancellor and Chancellor. The offer or contract letter must state the agreement to pay any moving expenses.

Moving Expense Reimbursement Agreement

A Moving Expense Reimbursement Agreement (see Forms section) must also be completed. Completing the Moving Expense Reimbursement Agreement provides details on the expenses being paid, how/to whom the expenses are being paid, and if the expenses are taxable or not in compliance with the provisions of this policy. Original receipts must be provided for reimbursable expenses and submitted to Accounts Payable for review and payment. Only one full and complete claim for moving expense reimbursement will be processed per employee move.

Definitions

**Home.** Your home means your main home (residence) as defined by the Internal Revenue Service (IRS)

**Main Job Location.** Your main job location is usually the place where you spend most of your working time as defined by the Internal Revenue Service (IRS)

**Household Member.** Anyone who has both their former and new home as their home (IRS).
Additional Contacts

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<tr>
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<td>Paula Fuestman</td>
<td>865-8866</td>
<td><a href="mailto:fuestmanp@unk.edu">fuestmanp@unk.edu</a></td>
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<td>Val Glaser</td>
<td>865-8419</td>
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Forms

**Moving Expense Reimbursement Agreement**: SAPPHIRE path – Business Forms > UNK > Human Resources > New Employees/On-Boarding > Moving Expense Reimbursement Agreement-Calendar 20XX

Related Information

IRS Publication 521-Moving Expenses

State of Nebraska Department of Administrative Services Accounting Manual-General Policy #10 (based on one or more of the following Nebraska Statutes: 81-118, 81-145, 81-161.03, 81-8,211, 81-1014, 81-1107, 81-1111, 81-1117.02, 81-1121, and 81-1174 through 81-1182)

**Payroll Taxes** – New employees should be advised that payments for moving expenses made to an employee which are not deductible under an accountable plan will be reported on the employee’s W-2. The IRS also requires the University to withhold income, social security and Medicare taxes on reimbursements of meals for the employee and family, pre-move house hunting trips, and temporary living expenses. Furthermore, any payments (lump-sum) not supported by original receipts will automatically cause that portion of the reimbursement to be reported as taxable regardless of whether the reimbursement would otherwise be reported as non-taxable. The amount of any reimbursement will be reported to the payroll office and in the next payroll cycle an adjustment will be made against the employee’s wages for the taxable portions of any reimbursements.

**Moving Companies** – See http://unkems.unk.edu/bf/_files/p_and_p_linked_files/moving_companies.pdf

History

Previously found in the Business and Finance Policy and Procedures document at www.unk.edu