

Business Services

Employee Relocation Expense Policy

Revision: 01	Policy No:	Effective: 10/21/15
		Last Reviewed: 12/21/15

PURPOSE

The purpose of the Employee Relocation Expense Policy is to provide guidance to the University of Wisconsin-La Crosse (University) regarding reimbursement for relocation expenses incurred by new personnel. This policy provides further clarification of the University of Wisconsin System Financial Administration Policy [F19: Relocation \(Household Moves\) and Temporary or Indefinite Work Assignments](#).

POLICY

A. Eligibility

Reimbursement of relocation expenses for new employees including Faculty and IAS, Academic Staff, and University Staff may be authorized and funded through the hiring department. The reimbursement of expenses may be offered up to the maximum amounts allowed for direct and indirect costs of relocation as defined by the employee's appointment letter. Reimbursement is not allowed for employees appointed as limited term employees (LTEs) or project positions. The relocation must be completed no later than one year from the effective date of the appointment or the end of probation, whichever is later.

B. Reimbursement Amounts

Maximum amounts allowed for reimbursement of relocation expenses follow:

1. Faculty and IAS, Academic Staff, and University Staff positions
 - a. The former residence must be at least 50 miles from the university.
 - b. Direct costs of relocation are reimbursable up to \$4,000.
 - c. A stipend of up to \$1,000 is available for indirect costs of relocation.
 - d. Mileage is reimbursable at a rate of \$0.575 per mile for the employee and immediate family members in one vehicle from the former residence to the new residence.
2. Positions titled Director or above
 - a. The former residence must be at least 50 miles from the university.
 - b. Direct costs of relocation are reimbursable up to \$6,000.
 - c. A stipend of up to \$1,000 is available for indirect costs of relocation.
 - d. Mileage is reimbursable at a rate of \$0.575 per mile for the employee and immediate family members in one vehicle from the former residence to the new residence.

C. Direct and Indirect Costs of Relocation

1. Direct Costs of Relocation

Relocation costs for household goods are considered direct costs of relocation that are reimbursable.

Examples of direct costs of relocating household goods follow.

- appliance service
- packing and unpacking
- containers
- additional transportation at origin and destination
- fuel/insurance surcharge (This is not a charge the employee has control over.)
- line haul charge (rate per 100 lbs. x pounds moved)
- seasonal rate adjustment
- weight and bulky articles charges
- third party services (see Section C.3) associated with crating, uncrating, assembling, or disassembling typical household items such as a pool table, appliances, clocks, hot tubs, and televisions
- ferry, bridge, ramp, and shuttle service charge

Household goods are personal effects of the employee and the immediate family of the employee. Examples include furniture, clothing, musical instruments, household appliances, food, and other items which are usual and necessary for the maintenance of a household and which may be transported legally in interstate commerce. It is the employee's responsibility to consult with Business Services prior to moving the item(s) to determine whether the item(s) are classified as household goods.

The following items are NOT considered household goods:

- property for resale
- property not owned by the family
- farm equipment
- livestock
- trucks/trailers
- boats over 14 feet
- automobiles, motorcycles, recreational vehicles
- building materials
- items used in a personal business
- pets, flammable items, caustic aerosols, spoilable items, plants, jewelry, frozen food, etc., and other items that might be found in a household but which the carrier cannot or will not allow to be placed in the moving van
- swing sets, jungle gyms, and other similar outdoor items

2. Indirect Costs of Relocation

Payment of a stipend directly to the employee is allowed to cover indirect costs of relocation. The maximum amount of the stipend is \$1,000. IRS rules determine whether all or part of the stipend is taxable to the employee. (See Section F) A stipend may not be paid more than 30 days prior to the employee's start date.

The following indirect costs associated with relocation may be covered by a stipend:

- costs associated with relocating items that are not considered household goods
- third party services for swing sets, jungle gyms, and other outdoor items
- travel costs enroute (meals, lodging, tolls, etc.)

- auto hauling or towing
- service charges for expedited services
- house hunting
- valuation/additional insurance
- extra pickup and/or delivery of household goods
- storage for the convenience of the employee
- warehouse handling
- weight and bulky articles charges for items not considered household goods
- overtime loading or unloading required by customer

3. Relocation Using Commercial Carriers

UW System Financial Administration (add link) has contracts established with Piepho Moving and Storage, Inc./Allied Van Lines and Graebel Moving & Whse Corp./Graebel Van Lines, LLC. for the relocation of household goods for university employees. If one of these carriers is not used, estimates from a minimum of three vendors must be obtained and submitted with the reimbursement request. Reimbursement is allowed up to the lowest of the three estimates amounts provided the bill of lading and estimates are submitted.

4. Relocation Without Using Commercial Carriers (Self-Moves)

An employee can elect to relocate himself or herself. Reimbursement for a self-move relocation is limited to the actual, reasonable, and necessary costs for any hired labor in loading and unloading the household goods and for the rental of trucks, trailers, moving equipment, or other expenses directly related to the relocation. Neither the employee nor the employee's spouse or dependents may be reimbursed for their labor. The reimbursement request must be supported by original receipts. Estimates are not required from commercial carriers to support self-moves.

5. Relocation on a Piecemeal Basis

The total cumulative reimbursed cost of moving household goods on a piecemeal basis may not exceed the amount which would have been charged if the relocation had been accomplished in one trip. To make that determination, an estimate showing the cost to accomplish the move in one trip should be obtained and submitted with the reimbursement request.

D. Transporting the Employee and Family

The amount of reimbursement for transporting the employee and his or her immediate family from the former residence to the new residence may not exceed the cost of mileage for one automobile at the standard rate of \$0.575/mile. Mileage should be based on the most direct route and should not exceed the mileage indicated on the bill of lading when a commercial carrier is utilized. Mileage reimbursement is a direct cost of relocation.

E. University Responsibility

1. Proper approval of the reimbursement of relocation expenses per this policy occurs through the Human Resources PeopleAdmin Online Recruitment System. The outcome is an appointment letter which is provided to the employee and Business Services stating the maximum amount the employee can be reimbursed for direct costs and the amount of stipend the employee will receive. Along with the appointment letter, the employee is provided a copy of this policy to assist the employee in requesting reimbursement of relocation expenses incurred.

2. Business Services is responsible for the proper payment and reporting of a stipend and the reimbursement of relocation expenses. [IRS Publication 521, Moving Expenses](#), delineates expenses that are deductible and nondeductible for tax purposes. Social Security and Medicare tax must be withheld by the university on nondeductible reimbursed expenses including meal costs, storage for more than thirty days, mileage, and stipends.

F. Employee Responsibility

1. The employee is responsible for adhering to this policy and should consult with Business Services prior to incurring any expense that may not be reimbursable.
2. The employee must submit reimbursement requests to Business Services on an expense report that includes the required approvals and supporting original receipts.
3. If the employee does not provide documentation to Business Services on how a stipend is used, the stipend is treated as taxable to the employee and will be reported to the IRS.
4. If the employee provides proper documentation, including original receipts, to Business Services on how a stipend is used, Business Services will follow IRS rules to determine whether all or part of the stipend is taxable to the employee. Generally, expenses paid from the stipend that are considered deductible moving expenses per IRS rules are not taxable to the employee.

REFERENCES & RESOURCES

UW System Financial Administration Policy [F19: Relocation \(Household Moves\) and Temporary or Indefinite Work Assignments](#)

UW System Financial Administration Policy [F36: UW System Travel Regulations](#)

Internal Revenue Service [Publication 521: Moving Expenses](#)

University of Wisconsin-La Crosse [Business Services](#)

University of Wisconsin-La Crosse Business Services [e-Reimbursement](#)