***Relocation Expenses***

The University may provide a portion of relocation expenses incurred by full-time faculty, executive and certain defined staff positions. This provision would be expected to occur under exceptional circumstances only when it is deemed a competitive advantage to the University in its seeking to attract qualified employees, and there is sufficient budget within the hiring department. The officer responsible for the area requesting relocation expense reimbursement must approve the intended expenditure amount in advance of the expenditures being incurred and reimbursed. The President approves applicable relocation expenses offered to officers.

Effective January 1, 2018, the Internal Revenue Code that provided an exclusion from employees’ income for qualified expense payments and reimbursements made by employers has been suspended for tax years 2018-2025. All moving expenses reimbursed beginning January 1, 2018 (regardless of when they were incurred) will be taxable to the employee and subject to tax withholding. The University will not gross up any expense reimbursements to account for tax withholdings incurred on reimbursed expenses that are deemed taxable by the IRS.

***Procedures***

Any offer of reimbursement of relocation expenses must be documented in an Offer Letter that is approved by an officer of the University. A copy of the related Offer Letter should be attached to any reimbursement request.

Please use the University Relocation Expense Approval/Reimbursement Form. ([LINK](http://www.hartford.edu/aboutuofh/finance_administration/financial_affairs/accounting/Documents/Relocation%20Expense%20Approval%20Reimbursement%20Form.xlsx)) Once completed and approved, forward the form, original receipts and a copy of the Offer Letter to Payroll for processing. (The University will not reimburse any moving expense that is not accompanied by an original receipt.) The full amount will be treated as nonwage income. The employee is responsible for payment of all moving charges, including payment of moving company charges. University purchase orders are not to be used for paying personal moving expenses, though employees are encouraged to obtain competitive bids to ensure the lowest cost to the University, and therefore, the lowest tax to the employee.

While the Internal Revenue Service no longer differentiates between qualified and nonqualified moving expenses, the University will use the former IRS Publication 521 guidance to determine those costs that will be reimbursed.

***Allowable costs include the following:***

1. Moving household goods and personal effects (including in-transit or foreign-move storage expense) of the employee and the employee's household from the employee's old residence to the new residence (see storage limitations under household goods and personal effects below), and
2. Traveling (including lodging but not meals) from the employee's old residence to the new residence.

**Reasonable expenses.** The employee will be reimbursed for those expenses that are reasonable for the circumstances of the move. For example, the cost of traveling from the employee's old residence to the new residence should be by the shortest, most direct route available by conventional transportation. If, during the employee's trip to the new residence, side trips are made for sightseeing, the additional expenses for the side trips are not qualified moving expenses.

**Travel by car.** If the employee's personal car is used to move the employee, members of their household, or possessions to the new home, the employee can be reimbursed for:

1. The employee's **actual expenses**, such as gas and oil for the car, if an accurate record of each expense is kept, or
2. The standard mileage rate, which is provided in [IRS Publication 521](http://www.irs.gov/pub/irs-pdf/p521.pdf).

**Members of employee's household.** The employee can be reimbursed for moving expenses associated with the move for the employee and members of the employee’s household. A member of the household is anyone who has both the employee's former and new residence as his or her home.

**Household goods and personal effects.** The employee can be reimbursed for the cost of packing, crating, and transporting the employee's household goods and personal effects and those of the members of the household from the employee's old residence to the new residence. The employee can also be reimbursed for the cost of storing and insuring household goods and personal effects within any period of 30 consecutive days after the day the employee's things are moved from the old residence and before they are delivered to the new residence.

The employee can be reimbursed for any costs of connecting or disconnecting utilities required because the employee is moving the household goods, appliances, or personal effects.

The employee can be reimbursed for the cost of shipping the employee's car and household pets to the new residence.

The employee can be reimbursed for the cost of moving the employee's household goods and personal effects from a place other than the former home. The exclusion is limited to the amount it would have cost to move them from the former home.

**Travel expenses.** The employee can be reimbursed for the cost of transportation and lodging (but not meals) for the employee and for members of the household while traveling from the old residence to the new residence. This includes expenses for the day the employee arrives. The employee can be reimbursed for any lodging expenses in the area of the old residence within one day after they could not live in the old residence because the furniture had been moved. **The employee can be reimbursed for only one trip for the employee and members of the household.** However, they all do not have to travel together.

***Unallowable costs (those that will not be reimbursed by the University) include the following:***

* Any part of the purchase price of a new home
* Car tags
* Driver's license
* Expenses of buying or selling a home
* Expenses of getting or breaking a lease
* Home improvements to help sell a home
* Loss on the sale of a home
* Losses from disposing of memberships in clubs
* Meal expenses
* Mortgage penalties
* Moving furniture purchased on the way to the employee's new home
* Pre-move house-hunting expenses
* Real estate taxes
* Refitting carpets and draperies
* Return trips to your former residence
* Security deposits (including any given up due to a move)
* Storage charges except those incurred in-transit and for foreign moves
* Temporary living expenses