

DEPAUL UNIVERSITY



Relocation Expenses

Category: Human Resources

Responsible Department: Talent Acquisition

Responsible Officer: Vice President for Human Resources

Effective Date: 3/28/2018

Policy Summary

The purpose of this policy is to specify the relocation services and financial assistance provided to eligible, newly hired university officers or employees in selected critical assignments who relocate at the request of DePaul University. The hiring department is responsible for all costs related with the relocation of the new hire.

Scope

This policy affects the following groups of the University:

- Hiring/Supervising Managers
- Full-Time Staff
- Budget Managers
- Vice Presidents
- Deans

This policy applies only to newly hired university officers or employees in selected critical assignments.

Policy

A. General Requirements

DePaul University will provide relocation services for university officers who relocate for employment at the request of the University. Relocation must meet the IRS guidelines in order to qualify for such services. All relocation services for university officers must be approved by the Vice President for Human Resources prior to starting the process and must be managed by an approved DePaul University relocation services provider. All relocation expenses are the responsibility of the hiring department.

Any university officer who receives relocation services and terminates employment for any reason within 24 months from the effective date of hire will be required to pay all or part of the relocation expenses paid on their behalf. University officers who terminate employment within 12 months are responsible for 100% reimbursement of expenses. University officers who terminate employment within 24 months are responsible for 50% of reimbursement of expenses.

Hiring departments may request limited relocation expense reimbursement for selected critical hires that relocate for employment at the request of DePaul University. The relocation must meet IRS guidelines in order to qualify for expense reimbursement. The total reimbursement for critical hires is not to exceed \$5,000 and must be approved by the department or college academic officer prior to starting the relocation process. All relocation expenses are the responsibility of the hiring department.

Reimbursement or payment of relocation expenses by the university are included in the employee's taxable income and subject to applicable withholding. Below is a brief explanation of the substantiation requirements, IRS rules concerning moving expense reimbursements and tax reporting.

B. Taxation

1. **Taxable Amount.** As a result of the tax reform act passed by Congress in December 2017, beginning January 1, 2018, relocation expenses reimbursed by the university will be included as taxable income to the employee, regardless of when the expense was incurred. For example, a reimbursement of moving expenses incurred in December 2017, but reimbursed in January 2018, would be considered taxable income for 2018.
2. **Tax Reporting.** Relocation expense reimbursements paid on or after January 1, 2018 will be included as taxable wages in boxes 1(Wages, tips and other compensation), 3(Social Security Wages), 5(Medicare Wages), and 16(State Wages, tips, etc.) of the employee's W-2 with appropriate taxes will be withheld from the reimbursement.

Procedures

Relocation services for university officers must be approved by the Vice President of Human Resources prior to any negotiations with the final candidate. The Director, Talent Acquisition will contact the approved relocation services provider to begin the process. The hiring department is responsible for relocation costs associated with the new hire. Relocation reimbursement requests for other selected critical hires follow the procedure described below.

Relocation Request and Approval Process:

1. The Hiring Manager must obtain approval to offer relocation assistance from the department or college academic officer.

2. The Hiring Manager contacts the designated Talent Acquisition Consultant to discuss details of the proposed relocation package for the final candidate.

Offer Letter Process:

1. The Talent Acquisition Consultant obtains specific relocation language from the University Tax Services and creates an offer letter outlining specific terms and conditions of the relocation package.

Relocation Expense Reimbursement Process:

1. The new employee submits relocation expense receipts to the Hiring Manager using the Relocation Expense Reimbursement form within 60 days of the date that the expenses were paid or incurred or within a reasonable time as determined by the Manager of Accounts Payable.
2. The Hiring Manager provides the form and all relevant supporting documents, including a copy of the employee's offer letter, to the Budget Manager for review and approval.
3. The Budget Manager provides the form to the Vice President or Dean of the Department or College.
4. The Vice President or Dean forwards the approved form to Payroll Services for processing.

Relocation expenses should only be incurred through the process outlined above and should be documented on the Relocation Expense Reimbursement form. ProCards and direct invoice payment should not be utilized.

Divisional Collaborations

Financial Affairs

Contact Information

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Appendices

- [Relocation Expense Reimbursement form](#)
- [Relocation Expense Reimbursement form instructions](#)

History/Revisions

Origination Date: 12/09/1996

Last Amended Date: 03/02/2016

Next Review Date: N/A