



Sumo Digital Ltd

Relocation Assistance Policy

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Introduction

Sumo Digital Ltd may contribute towards the cost of a new employee's relocation by reimbursing or providing assistance within limits and subject to the conditions set out below.

The first premise for any relocation contribution is whether the employee is relocating from within the UK or outside the UK.

Sumo reserves the right either not to accept a claim at all or to agree to pay only part of it; for example, where there is a lack of evidence of the expenses incurred.

2. Criteria for Relocations Claims

Moving from within the UK

- The general rule is Sumo does not provide relocation expenses for employees moving from within the UK.
- In exceptional circumstances, reasonable relocation costs will be considered and agreed at Management Level, for example;
 - a) Provision of up to 3 months accommodation arranged by Sumo.
 - b) Contribution to removal costs
 - c) Travel assistance

NOTE: Where any of the above are offered and provided, and then the employee does not relocate, the above would be a taxable benefit to the employee.

Moving from outside the UK

- When moving from outside the UK, Sumo will consider providing the following;
 - a) Work permits and Visa's
 - b) In-house training visits prior to commencement of employment
 - c) Up to 3 months temporary accommodation arranged by Sumo
 - d) Relocation expenses of an amount to be agreed at Management level, which may include
 - 1) Cost of one economy journey to the UK for the employee only
 - 2) The cost of removal of personal and household effects i.e. shipping costs
- The items below will not be eligible under the relocation policy;
 - a) Cost of flights for spouse/family members
 - b) Any costs relating to the relocation of pets

3. Procedure for Claims

Claims must be submitted via the HR Department.

Claims may not be made in advance of employment.

4. Terms on which Claims are paid

All claimants are required to sign a declaration that they agree to abide by the conditions set out in this policy before any relocation expenses can be claimed.

A claimant who leaves Sumo's employment within a certain period of time of receiving relocation assistance will be required to make a full or partial refund to Sumo according to the figures set out in Annex A.

Claims from eligible employees should be submitted to the HR Manager at any time within the first 12 months of employment.

Where possible and appropriate, invoices relating to the employees relocation should be charged by the provider directly to Sumo.

Claims must be supported by an original valid receipt. It is the responsibility of the claimant to ensure that they are getting a best value quote. Sumo retains the right to reject claims if they are considered to be unreasonable.

5. Temporary Travel Assistance

Temporary Travel assistance may be offered in exceptional circumstances within the UK, for a period of up to 3 months.

In these circumstances, allowable expenses may include;

- a) bus fares
- b) standard (NOT First Class) rail fares
- c) Mileage claims, based on Sumo's mileage rates

6. Submission and Approval of Expenses

Before any relocation expenses can be claimed, the employee must complete Annex C and hand it to the HR Manager.

HR will then complete their part of the form and copy it to Finance / Accounts payable. A/C payable will monitor their Relocation Allowance limit which will then be drawn down as expenses are claimed.

Where a claim would take you over your relocation budget, you can only claim that part corresponding to the relocation allowance you have remaining.

Before some claims can be made you will have to have moved to your final address. At this point you will need to provide HR with your final address and postcode so that they can update the form at Annex C.

All relocation expenses are to be agreed by the Studio Head and the Finance Manager.

7. Annex A – Repayment of Relocation Assistance upon Leaving the Company

An employee, who leaves Sumo's employment, other than through redundancy, will be expected to make the following refund of any relocation assistance that she/he has received during the course of his/her employment with Sumo.

Number of complete months service from date permanent employment commenced	
1 – 6 months	Repayment of 100%
7 – 12 months	Repayment of 75%
13 – 18 months	Repayment of 50%
19 – 24 months	Repayment of 25%

8. Annex B – Income Tax and National Insurance Contributions on Relocation Packages

The following gives an outline of Income Tax and National Insurance Contributions on relocation allowances. This excerpt is correct as of July 2011. Relocating members of staff should consult the HMRC (www.hmrc.gov.uk) for any changes to this.

If as a result of any relocation expenses being received, HMRC levy any tax or national insurance contributions, the employee are then responsible for this liability.

a) Who can claim?

If an employer helps an employee move home because of their job, any payments the employee receives or any goods or services provided for the employee are treated as part of their earnings for tax and NICs purposes. However, the first £8000 of any help they get from their employer is exempt from tax and NICs if certain conditions are met.

An employee can qualify for the exemption if:

- They have to move home to take up a new job with a new employer
- Their existing home is not within reasonable daily travelling distance of their new workplace
- The home they move to is within reasonable travelling distance of their new workplace
- Their employer reimburses their expenses

The employee does not have to dispose of their existing home but the home they move to must become their main residence. If for example they stay in their new home only during the week, returning to their existing family home most weekends and their family do not intend to move permanently to their new home, then their old home will remain their main residence and they would not be entitled to relocation exemption.

b) What is included in the exemption?

Most expenses connected with buying and selling a home, moving possessions and making preliminary visits to the new location qualify for the exemption. For tax, the exemption is limited to the first £8000.

c) Is there any time limit?

There is no time limit for NICs. But, to get tax relief, expenses must be incurred before the end of the tax year following the one in which the employee starts their new job (a tax year runs from 6 April one year to 5 April the next).

So if an employee starts a new job

- On 18th March 2011, they have until 5th April 2012 to use their exemption
- On 2nd September 2011, they have until 5th April 2013 to use their exemption.

If an employee cannot use all their exemption before the end of their time limit, they should consider contacting their Tax Office about an extension. They may be able to extend the time limit if, for example, they have to delay moving to allow a child to complete school exams, or because they cannot sell their old home within the time limit.

d) Which expenses and benefits may qualify for exemption?

- Costs of disposing of existing home:
- Legal fees and services
- Estate agent's fees and services
- Costs of acquiring a new home:
 - Legal fees and services
 - Loan arrangement costs
 - Structural surveys and valuations
 - Stamp duty and land registry fees
- Costs of moving household furniture and effects including packing and unpacking and insurance specifically taken out to cover goods in transit.
- Travel and subsistence costs for:
 - Travel and accommodation, to commute temporarily to a new place of work
 - Temporary accommodation provided at a new location before occupying a new home
 - Travel between an employee's old home and the temporary accommodation.

e) Does the employee need to tell the tax office about the help they get?

Sumo will tell HMRC about any financial help an employee is given. The tax office will review their tax liability and, if necessary, will adjust their PAYE code as a result.

Sumo will let the employee have the same information that it provides to the tax office, by 6th July following the end of the tax year (via form p11d).

f) Moving to the UK?

The same rules apply to any help an employee gets from their employer if they are coming to work in the UK from abroad. They are entitled to the £8,000 exemption in the usual way.

If they are not domiciled in the UK (ie their permanent residence is abroad) and they came to work here after living abroad, in addition to the £8000 relocation exemption, they are entitled to further tax relief.

They are entitled to a tax deduction for all their travel costs between the UK and their home abroad which are paid for by their employer, providing certain conditions are met.

9. Annex C – Application for Relocation Assistance

Name:	Manager:
Employment Start Date:	
Agreed relocation Provision: <ul style="list-style-type: none"> Detail 	
Total:	
Home Address Prior to Contract Start; (including postcode/Country):	Final Address Moved To; for which relocation claimed (including postcode):
Date moved to this address: _____	Date moved to this address: _____
<p>Conditions of Acceptance;</p> <p>I confirm that this application meets all of the requirements of Sumo's Relocation Procedures.</p> <p>I confirm that if I leave Sumo's employment other than by redundancy, I will refund Sumo in accordance with the terms set out in Annex A of the Relocation Assistance Scheme. I agree that any sum outstanding is immediately repayable in full and may be deducted from my final salary payments. If there is insufficient to cover the sum outstanding I understand that payment of the difference must be made by alternative means prior to the last day of employment. Failure to do so will result in debt due to Sumo. Should Sumo need to recover such a debt it may use a member of staff's employment and payroll records which are normally used for credit control purposes.</p>	
Employee Signature:	Date:
Group Director of HR	Date:
Studio Head:	Date:
Finance Manager:	Date:
Copied to Accounts Payable:	Date:

Revisions

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| • Updated Company Logo | February 2015 |
| • Updated Company Logo | September 2015 |
| • Added Group Director of HR's approval to Annex C | December 2018 |
| • Introduction amended to take out Sheffield | December 2018 |