

## **RELOCATION STIPEND OF NEW EMPLOYEES**

### **SUMMARY/PURPOSE:**

The purpose of this policy is to ensure that offers to provide a relocation stipend for new employees are properly documented as a part of an initial offer of employment as negotiated by deans, directors, and department heads and to facilitate the payment.

### **POLICY TEXT:**

Due to the Tax Cuts and Jobs Act effective January 1, 2018, reimbursement of actual qualified moving expenses incurred is required to be included in the gross income of the employee. To maintain the value to employees that existed prior to the law change and reduce administrative burden, a relocation stipend for newly hired faculty and staff will be reported as taxable income and included on the employee's annual W-2.

An employing department may pay a new employee a relocation stipend if the new employee and the employing department have negotiated for the payment as a part of the University's offer of employment and initial compensation package. The Terms and Conditions included in the offer letter sent to the new employee by the University must describe and specify the relocation stipend to be paid. Departments are responsible for determining if a stipend will be offered and the amount. A stipend in excess of 10% of an employee's regular starting salary will require approval by the Vice Chancellor for Administration and Finance or designee.

All relocation and related payments must be paid as a one-time stipend directly to the employee. This includes moving expenses, temporary storage or housing, travel and meals, including the pre-move house hunting visits, and related expenses. The stipend should be paid within the first month after the employee has begun employment and must be paid via an E-form 40 processed by the hiring department.