

## **Procedure 20345B: Moving and Relocation Stipend Procedure**

### **For Moving and Relocation Stipend Payments made after October 1, 2018**

The university may provide a moving and relocation stipend for a newly hired faculty or staff employee to move from their former residence to the new residence. No additional moving and relocation reimbursement payments of any kind will be processed by the university. Employees will have full discretion over how they choose to spend the net amount of the stipend.

Stipends will be fully taxable income, per a provision in the Tax Cuts and Jobs Act, and will be limited to one per household. The amount of the stipend will continue to be negotiable, but should still be related to the expected costs for the relocation which are impacted by the distance from the employee's former residence, and be limited by the scope of responsibilities of the employee's job and the portion of the estimated costs that the department is willing to fund.

Payments for moving and relocation stipends must be funded from the budget of the university department hiring the employee. The university has established dollar amount ranges that department heads are authorized to offer for each category of employee ([Moving & Relocation Stipend Payment Guidelines](#)). Additional reviews and approvals will be required should a department wish to exceed these ranges.

Language specifying the amount, terms, and conditions for the moving and relocation stipend is under the "Other Terms of This Appointment" section of the Terms of Faculty Offer (TOFO) or the Offer Letter for University Staff Positions (OLUSP).

#### **A. Eligibility**

For an employee to be eligible to receive a moving and relocation stipend, the following eligibility criteria must apply:

- The employee must be hired into a full-time salaried position; and
- The relocation must be at the university's request, not for the convenience of the employee; and
- The distance between the employee's new work location and the former residence must be 50 miles greater than the distance between the employee's old location and the former residence; and
- The employee must be reasonably expected to work on a regular full-time basis in university service for at least 1 year, commencing on the date that the employee starts work on a regular basis at the new location.

## **B. Processing Stipend Payments**

All moving and relocation stipend payments will be made to the employee through the payroll system. Therefore, employees must be added to the payroll system before the moving and relocation stipend can be processed. Payments will be issued to the employee within 30 days of their start date.

The moving and relocation stipend will be reported as taxable income and included on the employee's W-2 statement. Income tax will also be withheld on all payments. The tax amount withheld will be approximately 35.4 percent of the total taxable income. This is based on the following rates:

- 22.0 percent for Federal Income Taxes
- 5.75 percent for State Income Taxes
- 6.20 percent for Social Security
- 1.45 percent for FICA Medicare

How this ultimately impacts individual employees will vary. Due to the unique circumstance of each employee, the total tax amount withheld from employee's paycheck probably will not be the same as the employee's actual tax amount due at the end of the year.

## **C. Claw Back Provision**

Should the faculty or staff member fail to remain in employment for a minimum period of one year from the start date, they will be required to repay to the university a prorated portion of the stipend amount, such that for each full month during which they remained employed at the university, the amount to be repaid shall be reduced by one-twelfth (1/12) of the total stipend.

Repayment may be waived if university employment is terminated for reasons beyond the employee's control and acceptable to the university.