

RELOCATION ASSISTANCE

POLICY INFORMATION

Responsible Member of the Directorate: Vice President of Finance and Administration

Responsible Office: Human Resources Office

Issued: August 1, 1993

Revised: February 2, 2004

POLICY STATEMENT

As part of Woods Hole Oceanographic Institution's commitment to recruiting the most qualified candidates, we may provide monetary assistance and reimbursement for certain expenses associated with the relocation of new employees and their families to the Woods Hole area.

REASON FOR POLICY

Eligibility criteria and covered expenses must be clearly defined to ensure the equitable application of this assistance. New employees should also be aware of potential tax issues.

WHO SHOULD BE FAMILIAR WITH THIS POLICY

- Human Resources Staff
- Controller's Office Staff
- Hiring Supervisors and Managers
- Incoming employees who have been offered relocation assistance

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RELATED DOCUMENTS

Institution Policies	Other Documents
Human Resources: Hiring Process	IRS Publication 521: Moving Expenses
Procurement: Travel Policy	
Procurement: Purchasing Policy	

CONTACTS

If you have questions about specific issues or need assistance with the interpretation of this policy, contact:

Employment Services Specialists
Payroll Office

x2275 & x2705
x2844

DEFINITIONS

These definitions apply to these terms as they are used in this policy.

In-transit Storage	Temporary storage of goods incidental to the process of transport which may be caused by unavoidable delays in the transport system that result in goods temporarily being held at a location until the relocation vendor is able to continue transport to final destination.
Legal Dependents	Those whom you can legally claim as exemptions on your tax returns.
Nonqualified Expenses	Certain moving expenses for which reimbursement is considered taxable income by the IRS.
Public Conveyance	The transfer of person and property via public transportation such as bus, train, airplane, etc.
Qualified Expenses	Certain moving expenses that are incurred within one year from the date the employee first reports to work and which are not considered taxable income by the IRS.
Regular	Used to define employees who are eligible for Institution benefits.
Replacement Value	The cost to repair or replace property with new property of equivalent kind and quality to the extent practical.

PROCEDURES

Eligibility	<i>Caution: Employees who have received relocation assistance and voluntarily terminate from the Institution prior to completing 12 months of full-time service</i>
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	<p><i>must repay the Institution for relocation costs.</i></p> <p>Relocation assistance may be authorized for new employees who meet the following criteria:</p> <ol style="list-style-type: none"> 1. The one-way commuting distance from the old residence to Woods Hole is 50 or more miles. 2. The relocation must be approved in advance by Human Resources and be stipulated in the new employee's offer letter. 3. The relocation benefit must be used within the first 3 years of employment, but reimbursements will be considered "non-qualified" and are all taxable after the first year. 4. The principal individual being relocated will be a regular full-time employee and is expected to be employed for at least 12 months. 5. If the principal individual is a rehire (as a regular full-time employee), relocation benefits may only be extended if the individual was either not eligible for the benefit or did not utilize the benefit when he or she was previously employed.
Postdoctoral Investigators	<p>Postdoctoral Investigators who are expected to stay for at least a year are offered the equivalent of round trip airfare from their home of record to Woods Hole to defray travel costs. Actual receipts will be needed to process reimbursement.</p>
Covered Expenses	<p>Transportation</p> <ol style="list-style-type: none"> 1. Costs covered include reasonable travel, lodging and subsistence expenses incurred in travel by the most direct route (e.g. economy air, personal car, other forms of public conveyance) for the employee and all legal dependents. 2. If a personal car is used, mileage and tolls will be reimbursed. 3. Tickets for travel may be obtained through the Travel Office at the Institution. 4. Mileage and meals reimbursed will be at the current rate established by the Institution as defined in the Travel Policy. <p>Household Goods</p> <ol style="list-style-type: none"> 1. The Institution uses a designated moving company that provides relocation services. Once the offer of employment is accepted by the new employee, he or she must contact his/her Employment Services Specialist to begin making relocation arrangements. Human Resources will initiate arrangements and communications between the new employee and the relocation vendor. Packing and moving of "normal" household goods may be paid directly by the Institution. 2. Items typically "not normal" will not be covered by this benefit. These items include the following and any other item(s) that may require special handling: Airplanes, animals, boats, building materials, farm equipment, firewood, lumber, perishable foods, pianos, playhouses, swimming pools, recreational vehicles, snowmobiles, storage sheds, trailers. 3. Salary for post employment time away from work to pack and/or move

	<p>household goods is not an allowable relocation expense.</p> <ol style="list-style-type: none"> 4. The Institution will insure the household goods for Replacement Value at the vendor's current rate. Additional insurance may be purchased from the moving company at the employee's expense. 5. The Institution will pay to move up to 2 automobiles. 6. In-transit storage will be covered. All other storage costs are the responsibility of the employee. <p>Lab Moves</p> <p>Movement of laboratory equipment must be approved in advance by Human Resources. The incoming employee must be able to show that he/she or the Woods Hole Oceanographic Institution has title to all equipment being relocated.</p> <p><i>Caution: Certain restrictions may apply to some items being moved, such as hazardous material. The relocation vendor will be able to advise.</i></p> <p>Housing</p> <p>If necessary and with prior approval of the Human Resources Office, one advance house-hunting trip of up to a week may be permitted to assist the new employee and his or her spouse in locating living quarters. If temporary lodging is required prior to actual residential occupancy, up to a total period of 30 days may be allowed.</p> <p><i>Caution: The 30-day limit on temporary housing will include any advance house-hunting trip time. A per diem is provided for meals associated with house-hunting trips. There is no meal coverage during the temporary housing period.</i></p>
Taxability	<p>Reimbursement/payment for moving expenses will be reported on the employee's W-2. Expenses considered "qualified" by the IRS will be shown as an excludable moving expense reimbursement. This information is reported on the W-2 as informational reporting only. Expenses considered "nonqualified" by the IRS will be included as taxable income.</p> <p>Qualified Moving Expenses</p> <p>Per IRS regulations, "qualified" moving expenses are expenses incurred within one year from the date the employee first reports to work and includes:</p> <ul style="list-style-type: none"> • Movement of household goods; • Movement of lab goods; • Shipment of automobiles; • Travel by the shortest, most direct route available by conventional transportation; • Lodging while traveling; • Mileage reimbursement at the current rate established by the Institution (see Travel Policy), parking fees, tolls Reimbursement/payments classified as "qualified" are paid through Accounts Payable.

	<p>Nonqualified Moving Expenses Per IRS regulations, reimbursements/payments classified as “nonqualified” include, but are not limited to:</p> <ul style="list-style-type: none"> • Mileage reimbursement in excess of the current rate established by the Institution (see Travel Policy) ; • Meals; • Temporary lodging after arriving at your destination; • Advance house-hunting trip expenses; <p>Reimbursement/payments classified as "nonqualified" are paid through Payroll.</p> <p><i>Caution: As the Institution must report this payment to the IRS as wages, new employees may want to seek independent financial advice on the potential tax implications of these payments. An employee could lose certain tax preferences if relocation occurs more than 1 year after date of hire.</i></p>
Administration	Relocation assistance is administered by the Human Resources Office. Exceptions to this policy require approval of the Vice President of Finance & Administration.

FORMS

A variety of forms may need to be completed in accordance with this policy.

Forms	Use
Authorization for Personnel Action	Used to initiate the authorization process for new hires.
Purchase Requisition	Completed by Human Resources to report estimated moving expenses.
Travel Reimbursement	Used by relocating employees to submit requests for reimbursement of incidental traveling expenses.

Approved by: _____
Robert B. Gagosian

Date: _____