
Title: Relocation

At the discretion of the hiring unit, a reasonable Relocation Stipend for new faculty and staff may be provided if funds are available in the unit budget. The total amount provided for relocation will be determined by the employing unit. This University Operating Procedure outlines IRS rules, in effect January 1, 2018, for reporting a Relocation Stipend as income and withholding taxes purposes and sets forth University procedures relating to Relocation Stipends.

This Operating Procedure applies to all University of Vermont (UVM) faculty and staff who are responsible for the facilitation and payment of any Relocation Stipend.

None

If relocation benefits are to be extended at the discretion of the hiring unit then, Relocation Stipends should be negotiated with the new faculty or staff member during the hiring process. Effective January 1, 2018, the Federal Tax Cut and Jobs Act requires that all payments made to employees are taxable and subject to state and federal income tax and FICA. The letter of offer should specify the stipend amount and that the full amount of the stipend is taxable and subject to state and federal income taxes and Federal Insurance Contributions Act (FICA). It is important to provide the new hire with the University's relocation procedures, and to inform the new employee that the stipend is taxable, and will be included in taxable earnings, and is subject to applicable tax withholding.

The University has access to contracts with national moving companies. Contact Purchasing Services for further information. These contracts can be used as a tool in aiding the hiring department when determining the amount of the relocation stipend. The University will not issue purchase orders or pay moving companies directly on behalf of the incoming employee.

1. Ensure the new hire's letter of offer includes the following:

The amount of the negotiated Relocation Stipend clearly stated.

Language in the letter stating that the full amount of the stipend is taxable and subject to federal and state income taxes and FICA.

2. When the new hire information is in PeopleSoft, submit an electronic Additional Pay Form (eAPF), which will include the amount to be paid, and the chartstring to charge the expense. The required chartstring account code is 57896. Use reason code Taxable Moving Reimbursement and earnings code 429-Taxable Moving Reimbursement.

Upon receipt of the Additional Pay Form (APF) from Human Resource Services, Payroll and Tax
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- [IRS Publication L.115-97H.R.1 Tax Cut Jobs Act of 2017](#)
- [UVM Travel Policy](#)

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

Responsible Official:	Vice President for Finance and Administration	Approval Authority:	Vice President for Finance and Administration
Affiliated Policy Number(s):	None	Effective Date:	January 1, 2018

Revision History:

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