

Policy Number	HRM 6.1
Level	3
Issue	1
Issue date	11 June 2019
Review Date	11 June 2020
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Remuneration Committee approval	11 June 2019



For the future you want

Relocation Expenses

Policy and Procedure



Human Resources &
Organisation Development

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1. PURPOSE AND SCOPE

This policy sets out the College's provisions regarding relocation expenses. Relocation assistance may be given by the College to help with out-of-pocket expenses incurred when an employee relocates as a result of their employment with the College. This will be considered if requested on commencing employment with the College for posts difficult to recruit into and/or requiring particular specialist skills/knowledge not easily obtained in the market place.

2. KEY DEFINITIONS

Relocation assistance is a benefit offered to employees accepting work following the offer of employment at the College. Assistance is in the form of moving costs, travel expenses, temporary lodging and/or home-buying/selling.

3. PROCEDURE

3.1 Who qualifies and when

- Employees may be eligible if their post has been difficult to recruit into and/or requires specialist skills/knowledge;
- The duration of the employee's contract of employment with the College is no less than three years and the employee has to relocate their main place of residence in order to take up employment.

Relocation expenses are judged on a case-by-case basis as each employee's situation and circumstances will be unique. The College therefore retains discretion to adapt the relocation package to suit the particular circumstances and requirements of each employee. However, the College will always act fairly and in a non-discriminatory manner.

Relocation assistance is discretionary. It is not a contractual entitlement and the College reserves the right to withdraw it at any time.

3.2 Eligibility

To be eligible for relocation assistance, the employee must be living more than 50 miles away from their new work location. Discretion may be used when applying this criteria for those employees with specialist skills/knowledge.

The employee must be moving to a permanent residence that will be his/her main residence and this can be either a purchased or rented property.

3.3 Amount Available

The maximum level of relocation assistance provided by the College Relocation is 10% of the employee's gross salary (excluding pay-related allowances) unless there are particular extenuating circumstances, but up to a maximum of £8,000 (inclusive of

VAT). This amount is not a lump sum but can be reimbursed for eligible expenditure as set out below against valid receipts and invoices.

Employees are required to pay all associated expenses involved in their relocation, and expenses will only be reimbursed if they are deemed to be appropriate and reasonable. This policy provides for a contribution to the cost of relocation only, and is not intended to fully meet all costs associated with relocation, although depending on total cost, it may do so in some circumstances.

3.4 Taxation

All offers of relocation are subject to HM Revenue and Customs regulations. The employee is responsible for any statutory income tax and national insurance liability incurred as a result of receiving relocation expenses. Only qualifying expenditure will be paid against the relocation expenses level of 10% of the employee's gross salary, up to a maximum of £8,000. This is currently exempt from tax provided that certain conditions are met, including that the new property is the employee's main residence.

HM Revenue & Customs has also set a time limit on relocation. Relocation must be completed before the end of the tax year (5 April) after the one in which the employee takes up his/her new position. At the time of being offered relocation assistance, the employee will be advised of the date by which his/her relocation must be completed.

Relocation expenses will be available to the employee for a period of six months following appointment, unless agreed otherwise.

3.5 Repayment of Relocation Assistance

Employees will be offered relocation assistance only if they agree to repay some, or all, of the amount given by the College in the event that their employment terminates for whatever reason within three years from the date of receiving their last payment of relocation expenses. Those offered relocation assistance will be required to sign an agreement to this effect. The amount payable is reduced proportionally and is as follows:

Period of service (from date of payment of expenses)	Amount to be repaid (as % of total expenses)
Leaving within 12 months from date of expenses paid	100%
Leaving within 24 months from date of expenses paid	50%
Leaving after 24 - 36 months from date of expenses paid	25%

Repayment will not, however, be required if the reason for termination of the employee's employment is redundancy or serious ill health affecting income.

The timescale for receipt of relocation expenses starts from the date of payment of the expenses.

In the event that the employee does not relocate, he/she will be asked to repay all or part of any relocation assistance given.

3.6 House Hunting

The College will reimburse only reasonable travel and accommodation costs incurred by the employee in respect of house hunting. These costs will be offset against the relocation expenses level of 10% of the employee's gross salary, up to a maximum of £8,000.

3.7 Buying and selling property

If a relocation expenses limit is approved, the College will reimburse the following costs reasonably incurred by the employee in the selling and buying of property to relocate. These items will be charged against the relocation expenses level of 10% of the employee's gross salary, up to a maximum of £8,000:

- The estate agency, auctioneer and advertising fees associated with selling the employee's existing property.
- The legal and conveyancing fees associated with selling the employee's existing property.
- Any charges for disconnection of public utilities and white goods (such as washing machines) serving the employee's existing property.
- The legal and conveyancing fees (including survey, Land Registry, search and mortgage arrangement fees) associated with the purchase of a new property.
- Any charges for connection of public utilities and white goods serving the new property.
- The costs of moving the employee's furniture, domestic goods and personal possessions from his/her existing property to the new property, including insurance taken out to cover goods in transit. Three quotations should be obtained from removal companies and the cheapest used, unless there is a valid reason not to do so.
- The costs of temporary storage and insurance of the employee's furniture, domestic goods and personal possessions if not moving directly from the existing property to the new property, for a maximum of two months.

3.8 Rented to Rented Accommodation

If the employee is living in rented accommodation and intends to live permanently in rented accommodation in the new work location, the relocation allowance is more limited. If approved, the College will reimburse the following costs reasonably incurred in moving from rented to rented accommodation:

- Any charges for disconnection of public utilities and white goods serving the existing rented property.
- The deposit payable to the landlord for the new rented property. The deposit must be reimbursed to the College within three months of the employee moving to the new rented property.
- Any associated administration costs from the letting agent or agents (including check-out fees, penalty clauses and lease arrangement fees).
- Any charges for connection of public utilities and white goods serving the new rented property.

- Any overlap in rental payments.
- The costs of moving the employee's furniture, domestic goods and personal possessions from his/her existing property to the new property, including insurance taken out to cover goods in transit. Three quotations should be obtained from removal companies and the cheapest used, unless there is a valid reason not to do so.
- The costs of temporary storage and insurance of the employee's furniture, domestic goods and personal possessions if not moving directly from the existing property to the new property, for a maximum of two months.

3.9 Rented to Purchased Accommodation

If the employee is living in rented accommodation but intends to purchase a property in the new work location, relocation allowance is limited to the costs reasonably incurred in moving from the rented accommodation as set out above and no contribution will be made towards the purchase of the new property. Property purchase expenses will be paid only where an existing property has been sold. This is because employees should not gain financially as a result of the relocation.

3.10 Temporary Accommodation

If short-term accommodation is required by the employee, the College will seek to find a place in its halls of residence for a period of up to 12 weeks, which would be offset against the relocation expenses level of 10% of the employee's gross salary, up to a maximum of £8,000.

In circumstances where a place in its halls of residence is not available and the employee has not been able to move to a new permanent property (whether purchased or rented) by the time of starting work in the new work location, the College will give consideration to the reimbursement of the costs of temporary hotel, bed and breakfast or rental accommodation. Temporary hotel or bed and breakfast accommodation will be allowed up to a maximum of 12 weeks. Temporary rental accommodation will be allowed up to a maximum of 12 weeks. To extend beyond these limits, the employee must obtain prior agreement from his/her recruiting manager (or from the Chair of the Board of Management in the case of the Principal).

If the employee is renting out his/her existing property before or while trying to sell it, any rent received on the rented property must be offset against the cost of temporary accommodation. The difference only will be covered by the relocation allowance.

3.11 Travel Expenses

If the employee is travelling from his/her existing property to the new work location, rather than staying in temporary accommodation, prior to relocating, the mileage can be claimed from the relocation allowance and will be paid at normal rates. Likewise, if the work move is after the home move, mileage can be claimed at normal rates from the relocation allowance for distance travelled between the new property and the old property. Until relocation has been completed, mileage can also be claimed at normal rates from the relocation allowance for the cost of travelling between the temporary accommodation and the property being sold.

Mileage from temporary accommodation to the new work location is not eligible for reimbursement.

3.12 Authorisation

All employees applying for financial assistance with relocation should obtain the prior written approval of the Chief Operating Officer following agreement from the recruiting manager prior to committing to any spend. The Head of HR and OD will confirm the maximum amount of financial assistance that the employee can receive in respect of relocation.

All expense claim forms containing relocation expenses, and supported by valid receipts, should be countersigned by the employee's line manager (or in the case of the Principal by the Chair of the Board of Management) and submitted in accordance with the relevant expense claim procedure.

Invoices may be able to be paid directly by the College. However, the employee must discuss this with his/her recruiting manager prior to making this arrangement with the relevant supplier.

All relocation expenses must be claimed within six months from date of appointment with the College.

4. ASSURANCE

Compliance with this procedure will be measured by internal and/or external audit. It will be the responsibility of the Principal to assure compliance to the Remuneration Committee.

5. REVIEW

This policy will be reviewed whenever there are changes to the tax thresholds, or alternatively once a year as a minimum.