

SUBJECT: New Employee Relocation	NUMBER: 40.055.20
DIVISION: Chief Human Resources Office	EFFECTIVE DATE: July 10, 2014

APPROVED: Signature on file with Chief Human Resources Office

POLICY STATEMENT: Relocation expense reimbursement is a negotiable tool for managers to accomplish recruitment goals when hiring an employee to initial state service.

AUTHORITY: ORS 240.145(3); 240.250; 240.306; IRS Title 26, Section 217; IRS Publication 521

APPLICABILITY: All initial appointments to state service in a permanent, seasonal, or limited duration position (not temporary), where not in conflict with collective bargaining agreements

ATTACHMENTS:

- Guide for Determining Reimbursable Miscellaneous Relocation Expenses
- Sample Relocation Agreement Form – New Employees

DEFINITIONS: See State HR Policy 10.000.01, Definitions; and OAR 105-010-0000

POLICY:

- (1) **New employees normally move and travel at their own expense.** The agency director or designee may negotiate full or partial reimbursement up to the prescribed limits of moving costs when the reimbursement is: (a) necessary for employment of qualified personnel; or (b) needed when filling a hard-to-fill position and is the most efficient and cost effective use of state funds. Agencies should use relocation reimbursement judiciously and it should not be an automatic offering to initial appointees.
- (2) **An agency director must administer this policy as the agency's policy on new employee relocation of all initial appointments to state service.**
 - (a) Additional tools to accomplish recruitment goals may be also available in the following policies:
 - (A) Lump Sum Payments under Pay Practices, State HR Policy 20.005.10.(1)(a)(D);
 - (B) Alternate Leave Provisions under State HR Policy 60.000.20.
 - (b) Overall factors to consider when deciding to offer relocation reimbursement:
 - (A) Is this the employee's initial appointment to state service? Initial appointment to state service is the appointment of an employee from outside state government or the appointment of a former employee whose reemployment or layoff rights have expired.
 - (B) Is offering reimbursement to the successful candidate a responsible and prudent use of state funds?
 - (C) What is the skill availability and location of the position in comparison to the qualifications of the successful applicant? If job market information is needed, contact the DAS CHRO Classification and Compensation section for job market data reports and information.
 - (D) How far is the applicant moving to accept the position?

(c) Moving Logistics

- (A) If the new employee does not move his or her residence within six months from the date an employee reports to work, the employee is not eligible for moving expense reimbursement.
- (i) The employee may submit a written request to extend the period up to an additional six months for good cause. The agency must receive the request for extension at least 30 days prior to the end of the initial six months.
- (ii) The agency has authority to grant an extension.
- (B) Employees must provide receipts for all moving expenses and be reimbursed directly through the payroll system. The agency must process moving expense claims and reimburse the employee either within the same tax year in which the move occurred or within the first quarter of the next tax year.

(d) Tax Issues. The agency must notify new employees that all or part of the reimbursement may be considered taxable income by the Internal Revenue Service. The agency will report the reimbursements on the employee's Form W-2. Employees are encouraged to consult a tax professional for advice on their own tax liabilities and allowable tax deductions.

(e) Negotiable Relocation Expenses Include:

- (A) **Personal Household Belongings.** The agency may pay or reimburse for the moving of the personal household belongings up to a maximum of 20,000 pounds. If the movers estimate that personal belongings exceed the maximum limitation, a request for additional payment based on reasonable need shall be submitted by the agency to the DAS Director for consideration.
- (B) **Packing, Crating and Unpacking.** The agency may pay or reimburse for packing, crating, and unpacking for the moving of the personal household belongings up to \$1500 per move. A request for reimbursements that exceed the limit shall be submitted by the agency to the DAS Director for consideration.
- (C) **Additional Moving Charges.** The agency may pay or reimburse for full value insurance¹, appliance blocking charges, and extra handling charges on items such as pianos. The total amount shall not exceed \$2,000. A request for additional moving expenses that exceeds the limit shall be submitted by the agency to the DAS Director for consideration.
- (D) **Vehicles.** The agency may pay one-way private vehicle mileage from the old to the new residence for a maximum of two private vehicles. The state's moving mileage rate mirrors the federal rate and is updated to match the federal rate when changed. The current moving mileage rate (not the business rate) may be found at <https://www.irs.gov/newsroom/2017-standard-mileage-rates-for-business-and-medical-and-moving-announced>. Moving-Announced. To calculate the one-way mileage, use an internet mapping software (i.e. www.mapblast.com or a similar program); an atlas; or map with a general mileage chart showing the distance between the two cities involved. Retain a copy of the website results or a copy of the atlas/map mileage chart as evidence of the mileage to be reimbursed. Employees without computer access should contact their supervisor for assistance in obtaining mileage information. **If the employee transports their household goods with their own private vehicle, the employee may receive the greater of the one-way state mileage reimbursement or the actual fuel cost to relocate. Fuel receipts will be required for reimbursement.**
- (E) **Miscellaneous Expenses.** Employees may be eligible for reimbursement of miscellaneous relocation expenses up to \$5,000. A request for additional miscellaneous expenses that exceeds the limit shall be submitted by the agency to the DAS Director for consideration. Employees will submit receipts for all miscellaneous expenses with the expense claim. Examples of miscellaneous expenses that may be reimbursable include but are not limited to those described on the attached "Guide for Determining Reimbursable Miscellaneous Relocation Expenses."

Guide for Determining Reimbursable Miscellaneous Relocation Expenses

The following guide describes examples of the types of expenditures that may be approved for the “miscellaneous relocation expense” category. Other types of miscellaneous expenses may be submitted for consideration. All expenses require documentation for reimbursement. Final approval of miscellaneous expenses will be determined by the agency director or designee. NOTE: This is not an all-inclusive list.

Category of Expense	Sample Expenses
<p>Lodging and meals while in transit to new location</p>	<ul style="list-style-type: none"> • Meals (employee only) will be reimbursed at the state per diem rate • Lodging will be reimbursed at the state per diem rate
<p>Service Charges & Materials</p>	<ul style="list-style-type: none"> • Non-refundable utility disconnect and connection charges (i.e. telephone, water, cable, natural gas, electricity, sanitary service, television antenna, etc.) • Additional Manufactured Home set up materials including skirting, if required • School (if transferred during school year) • Equipment to complete utilities hookup • Non-refundable cleaning deposits • Telecommunication change service fees
<p>Temporary Expenses</p>	<ul style="list-style-type: none"> • Laundry (before washer and dryer are hooked up) • Pets (boarding while affecting the move)