

## **RELOCATION ASSISTANCE**

### **1.0 Introduction**

The University recognises that relocation can represent a significant cost for new staff and with prior agreement from the hiring manager and the HR department, will provide financial assistance. It should be noted that the financial relocation assistance is given as reimbursement for expenditure and is not an allowance payable even if no expenditure is incurred. The HR Business Partner will determine an employee's entitlement to relocation assistance and any queries on personal eligibility and eligible items should be directed to the HR Department.

### **2.0 Eligibility for Assistance**

In order to qualify for relocation assistance, candidates must satisfy the following conditions:

- If a candidate and his/her spouse/partner are both to be employed by the University, the relocation assistance may only be provided to one party
- Candidates must not be receiving financial assistance from any other source (e.g. from the employer of their spouse/partner)
- Candidates must be appointed to a permanent position or fixed term contract of at least 2 years duration
- Candidates should currently be living more than 50 miles away and relocate to within 30 miles of their workplace to qualify. The HR Business Partner will determine whether the new home is within 30 miles of the workplace
- It must be a written requirement of the candidate's appointment (detailed in the offer letter) that they relocate in order to effectively carry out their duties.
- Candidates must undertake to relocate within 6 months of taking up their appointment. This may be extended to 12 months under exceptional circumstances and with the agreement of the line manager
- Candidates who do not change their main residence within the timescale agreed will be required to repay the relocation assistance to the University. For information on what HM Revenue and Customs ('HMRC') consider to be a main residence, please visit <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03104>

### **3.0 Maximum Amount payable**

The maximum amount payable is detailed below and in any particular case will depend on the amount of qualifying relocation expenses incurred by the employee.

- Employees paid within Senior Management pay bands and Professorial zones – 12% of basic annual salary at time of appointment
- Academic employees and professional and support employees – 7% of basic annual salary at time of appointment
- Any exceptions to the amounts payable must be agreed in advance by the Director of HR and Director of Finance
- The costs are charged against an agreed School or Department code and there is no central fund. This means the budget holder must know at an early stage of recruitment that he/she may have to meet relocation costs.

### **4.0 Expenses eligible for assistance**

- Employees may only claim expenses which fall within HMRC guidelines and are within the employee's maximum relocation allowance.

- Qualifying expenses include:
  1. Disposal of old residence - <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03109>
  2. Acquisition of new residence- <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03110>
  3. Transporting belongings - <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03111>
  4. Travelling and subsistence - <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03113>
  5. Temporary living accommodation- <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03117>
  6. Domestic goods for new residence- <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03120>
- Qualifying expenses up to £8,000 will be exempt from tax and national insurance contributions.
- Employees who are eligible to claim relocation assistance in excess of £8,000 should be aware that qualifying expenses paid over £8,000 will be subject to tax.
- Any expenses which do not meet the HMRC guidelines (as outlined above) may not be eligible for payment under the relocation assistance scheme. If non-qualifying expenses are paid, they are liable to tax and in some cases, national insurance contributions.
- Normally the same rules apply where the relocation is from overseas.
- In order to maintain exemption from tax and national insurance contributions on qualifying expenses up to £8,000, HMRC guidelines state that relocation expenses must be incurred and reimbursed before the end of the tax year following the one in which the employee started their job.

## **5.0 Making a claim**

- All claims for relocation assistance should be made on Form RAD/RAR available from the HR website. Copies of these forms can be found in Appendix B of this document also.
- Claims can be made in two ways:
  1. In arrears, on production of a monthly itemised statement with receipts.
  2. Partial Advance - once the employee is in post, they may request 50% of their maximum relocation allowance to be advanced.
- The University reserves the right to reject the claim, unless all items are detailed on Form RAD/RAR and accompanied by proof of payment/valid receipt.

### **5.1 Advances**

- If the relocation assistance is advanced, the employee will be required to provide evidence of expenditure to the University in the form of a monthly reconciled statement and receipts of qualifying expenses per HMRC's guidelines (see section 4.0)
- If the employee does not begin to submit receipts and Form RAD in the month following the advance, Finance will issue the employee with a reminder and this may be followed up by the HR department. If the HR department are not

completely satisfied that relocation is actually underway, the University reserve the right to recover the amount of the advance.

- The University expects to receive full and complete reconciliation against the advance within 12 months of the employee's appointment date. Once receipts have been reconciled against the amount of the advance, the employee may continue to claim qualifying expenditure in arrears, on production of a monthly itemised statement with receipts, up to the maximum entitlement.

## **6.0 Leaving RGU**

- If the employee leaves the University within 3 years of commencement of employment he/she will be required to repay the relocation assistance as follows:
  - Within 2 years – 100% of the relocation assistance or amount of advance of the relocation assistance or amount of advance
  - Within 2-3 years. – 50% of the relocation– 50% of the relocation assistance
- Where an employee resigns within 3 years of commencement of employment RGU reserves the right to deduct any relocation assistance or advances paid from any final salary payment due and to pursue the employee for repayment of any additional outstanding monies in respect of relocation assistance or advances
- The employee will not be liable to repay relocation assistance if he/she is made redundant, takes early retirement as a result of redundancy, or leaves on the grounds of ill health.

## **7.0 Process**

See process flow at Appendix C

## **APPENDIX A - RELOCATION ASSISTANCE MANDATE**

### **1.0 Type of Claim (tick as appropriate)**

*Reimbursement following expenditure*

I <insert name> understand that I will be granted relocation assistance from the University, up to the value of < > as a consequence of my taking up the appointment of <insert title>. I accept that the relocation assistance is only payable if I change my main residence within 6 months.

I will make claims to the University for reimbursement by providing a reconciled statement of qualifying expenses per HMRC's guidelines, together with receipts, to the sum of <insert above amount>.

*Advance prior to expenditure*

I <insert name> request the sum of <insert amount> which represents an advance of my relocation assistance from the University, (maximum 50% of total relocation assistance payable) as a consequence of my taking up the appointment of <insert title> and relocating within 6 months.

I understand that no advance will be made until I have commenced employment. In the month following the advance, and monthly thereafter, I will provide the University with a reconciled statement of qualifying expenses per HMRC's guidelines, together with receipts. I will provide all statements and receipts to the University within 12 months from date of appointment. Where there is any outstanding balance from the advance at this point, I hereby authorise the University to recover the remaining balance from any salary, fees, expenses or any other sums due to me by the University.

### **2.0 General Conditions**

2.1 I understand that any expenses which do not meet HMRC's guidelines will not normally qualify for payment under the relocation assistance scheme and that if they were exceptionally counted, would be liable to tax and national insurance contributions.

2.2 I certify that the expenses I incur in respect of this relocation is not being otherwise reimbursed or paid by any other source.

2.3 I understand that relocation assistance will not be paid, nor advances considered reconciled unless items on the claim form are accompanied by a valid receipt as proof of payment.

2.4 I certify that my current home is more than 50 miles from my place of work and that I will relocate to within 30 miles of my place of work.

2.5 I understand that if I do not change my main residence within the agreed timescale that I will be required to repay any relocation assistance I have received.

2.6 I understand that if I leave the University within 3 years of commencement of employment, I will be liable to repay the relocation assistance as detailed below.

- Up to 2 years service – the full amount of assistance or advance
- 2-3 years – 50% of the amount of assistance

2.7 I understand that if I receive an advance of relocation assistance and do not begin to provide receipts in the required timeframe, the University reserves the right to recover the advance.

2.8 Should the circumstances described in 2.5 – 2.7 occur, I hereby authorise the University to deduct any sum due by me under this agreement from any salary, fees, expenses or any other sums due to me by the University. If the full repayment cannot be recovered from sums due to me by the University, I agree to repay the outstanding amount, before my final date of employment with the University.

2.9 Payment will be made into your bank account nominated by you for your salary. Please contact the finance department if this is not suitable.

**To be completed by employee**

Employee Signature .....

Print Name.....

***NOW RETURN MANDATE TO HR, TOGETHER WITH YOUR CONTRACT PAPERWORK***

**To be completed by Human Resources**

- Maximum claim value.....
- Relocation condition of employment in written offer letter
- Meets distance criteria
- Employee record flagged and mandate copied to personal file
- Verified for payment by Human Resources
- Original signed copy of mandate retained in personal file

Signature.....

Print name.....

Position.....

***NOW FORWARD TO BUDGET HOLDER FOR SIGNATURE AND BUDGET CODE***

**To be completed by Budget Holder**

Authorised signature .....

Print name.....

Department Finance code for deduction of relocation .....

***NOW FORWARD TO EXPENSES SECTION IN FINANCE***





## APPENDIX C – PROCESS FLOW

