

# Relocation Expenses, Policy, Procedure & Guidelines

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# Policy

## 1. Scope

The University recognises that new members of staff may need to relocate in order to reasonably carry out the duties and responsibilities of their role. This Policy is in place to alleviate the possible financial implications and personal disruption that the relocation may cause. The Policy relates to the compensation, in part, of the financial loss incurred by an individual who relocates as a direct result of taking up employment with De Montfort University.

The Policy will apply irrespective of occupational category or contractual hours and operates at the discretion of the University.

## 2. Purpose

The aims and objectives of this Policy are to:

- 2.1 Reduce the financial and personal pressures which arise as a result of relocation.
- 2.2 Facilitate recruitment to specialist posts, or to those in a particularly competitive market.
- 2.3 Attract sought after talent to the University.
- 2.4 Provide clear guidelines for prospective employees.
- 2.5 Ensure fairness and consistency in the awarding of relocation expenses across the University.
- 2.6 Co-ordinate the expenditure of Faculties/Directorates in relation to the payment of relocation expenses.
- 2.7 Provide clear guidelines to management who are asked to consider the reimbursement of relocation expenses.

## 3. Procedure

Prior to appointment of the Claimant, if Recruiting Managers wish to use the Policy, this should be indicated clearly on the relevant Post Authorisation Form (PAF) and will be subject to approval by the SRG. If approved, it will be stipulated in the advert that reimbursement of relocation expenses is applicable to the post.

### 3.1 Claimant Eligibility Criteria

In order for a newly appointed member of staff to be eligible to receive relocation expenses, they must satisfy all of the following criteria:

- 3.1.1 Appointed on a starting salary normally equal to, or in excess of, Grade F of the Single Salary Pay Spine. Those appointed within the Senior Salary Pay Scheme are also eligible. In exceptional circumstances, reimbursement may be made to those appointed at a lower grade, upon authorisation from the Staff Review Group (SRG).
- 3.1.2 Their new permanent residence (whether purchased or rented) lies within a 35 mile radius of the University's Leicester City Campus.
- 3.1.3 Their existing residence lies outside a 35 mile radius of the University's Leicester City Campus. There is a minimum distance of 35 miles between their existing and new residences, and the relocation results in them living considerably closer to the University (within a 35 mile radius).
- 3.1.4 All conditions of an offer of employment must be satisfied before a claim will be considered (e.g. satisfactory references and medical clearance, proof of eligibility to work in the UK).
- 3.1.5 Relocation must take place within 12 months of the employee's commencement date.
- 3.1.6 The employee's spouse or partner should not also be receiving relocation expenses from another employer in connection with the same move.

### **3.2 Conditions Relating to the Payment of Relocation Expenses**

- 3.2.1 The total amount payable must not exceed £2,000\* unless by authorisation of the SRG.
- 3.2.2 Where more than one member of the household is appointed, only one claim will be considered.
- 3.2.3 An employee can only claim once under this Policy.
- 3.2.4 All relocation claims are subject to HMRC regulations. Under no circumstances will the University make payments under this Policy which make it subject to tax liabilities, nor will it consider the reimbursement of relocation costs not covered by the HMRC's qualifying criteria. Therefore, individuals are advised to consult HM Revenue & Customs guidelines before submitting a claim [www.hmrc.gov.uk/guidance/relocation.htm](http://www.hmrc.gov.uk/guidance/relocation.htm)
- 3.2.5 In exceptional circumstances, non qualifying relocation expenses may be approved. In such cases these will be reimbursed subject to the appropriate taxation and the claimant will receive the net amount due. Under no circumstances will any taxable charges be borne by the University by way of the PAYE Settlement Agreement (PSA).
- 3.2.6 Agreed reimbursements will be made via the next available payroll run, following receipt of an authorised claim form by the HR Department. Claims will be charged to the relevant Faculty/Directorate cost centre.

- 3.2.7 Completed claim forms (Appendix A) must be submitted within three months following the actual date of relocation as stated in a legal document (e.g. letter of exchange, rental contract). Extensions to the submission date may be granted in exceptional circumstances if authorised by the relevant Line Manager, and provided they meet the income tax and National Insurance rules so no tax liability occurs. All relevant, original and valid receipted VAT invoices to support it must be attached to the claim form (copies certified as original will be accepted).
- 3.2.8 The Claimant agrees to reimburse 100% of relocation expenses received if they leave employment within 12 months of the date they receive the reimbursement of relocation expenses. This must be received in full by the last date of service. This will decrease to reimbursement of 50% of relocation expenses received if they leave employment within 24 months of the date they receive the reimbursement of relocation expenses. They must also agree to the University deducting any outstanding monies owed from their final salary payment. Only in exceptional circumstances, and upon approval of the relevant Line Manager, will this condition be waived.

### 3.3 How to Claim Reimbursement

For a simple overview, please see the flow chart provided (Appendix B).

- 3.3.1 The Claimant must complete a relocation expenses claim form and indicate their agreement to the conditions set out in this. This, and all supporting documentation (please see section 3.2.7 for further guidance) should be submitted to their relevant Line Manager for consideration, as soon as reasonably possible and within the timescales specified.

Please note that “relevant Line Manager” refers to the Dean/Director of the Faculty/Department or a more senior member of staff. In the case that a Dean/Director or more senior member of staff wishes to claim for relocation expenses, please refer to the table below:

<b>Claimant</b>	<b>Relevant Approving Line Manager</b>
Dean/Director	Vice-Chancellor/Chief Operating Officer/Pro Vice-Chancellor responsible for the area
Senior Executive	Vice Chancellor
Vice Chancellor	Board of Governors

- 3.3.2 If the relevant Line Manager decides not to reimburse relocation expenses, for instance when the employee does not meet the eligibility criteria, they will communicate this to the Claimant as soon as reasonably possible. The claim form and all other documentation belonging to the Claimant will be returned.

- 3.3.3 If the relevant Line Manager decides to reimburse relocation expenses to the total value of £2,000\* or less, the form will be passed to the HR Department for it to be actioned.
- 3.3.4 If the relevant Line Manager decides to reimburse relocation expenses to a total value in excess of £2,000\* the form should be submitted to the next scheduled SRG meeting. If the claim is rejected, the form will be returned to the relevant Line Manager for further consideration and the procedure will begin again at point 3.3.3. If the claim is allowed by the SRG, the form should be passed directly to the HR Department to action payment and confirm this in writing to the Claimant.
- 3.3.5 Reimbursement will be made via the next available payroll run provided HMRC's qualifying criteria applies to all of the expenditure.
- 3.3.7 When the original documentation is no longer required by the University, it will be marked with a company stamp and returned to the Claimant. Copies will be retained with the relevant claim forms for auditing purposes and stored in accordance with the Data Protection Act within the Payroll department.

\* Exclusive of VAT

# Guidelines

## 4. Roles and Responsibilities

### 4.1 Claimants

Prior to completing an application form for relocation expenses, the Claimant should ensure they meet all the eligibility criteria listed in section 3.1, and initiate an informal discussion on the subject with their relevant Line Manager.

When completing a relocation expenses claim form, Claimants should ensure they provide a clear and concise claim, taking into account all conditions set out in the policy. All relevant supporting documentation should be attached, and the documentation should be, original and valid receipted VAT invoices. For details on relocation expenses that can be claimed and any tax implications, individuals are advised to consult the HMRC current guidelines [www.hmrc.gov.uk/guidance/relocation.htm](http://www.hmrc.gov.uk/guidance/relocation.htm).

It is expected that every effort will be made by the Claimant to reduce costs where possible and is required to provide evidence to demonstrate this. Relocation expenses will only be reimbursed where they have been reasonably incurred. Any abuse of the policy or false claims made may lead to disciplinary action up to and including dismissal.

Claimants should be aware that no expenses will be paid unless they have adhered to the timescales set out in this policy and they have followed the required procedure.

### 4.2 Relevant Line Managers

#### 4.2.2 Recruitment

The use of relocation expenses as an incentive for recruitment purposes should be given careful consideration at the time of advertising a post, and Recruiting Managers are advised only to include relocation details within advertisements for specialist posts (for example, where specific skills are required that will significantly limit the potential pool of applicants), or where recruitment is in a competitive market. In the event that Recruiting Managers wish to use the Policy, this should be indicated clearly on the relevant Post Authorisation Form (PAF) and will be subject to approval by the Staff Review Group.

#### 4.2.3 Approving Claim Forms

A relevant Line Manager approving an expenses claim has the responsibility for checking employees are eligible and meet the criteria and conditions listed in sections [3.1](#) and [3.2](#).

All claims should be dealt with in a timely manner. For claims of £2,000 or under, this would normally be within 15 working days from receiving the completed claim form.

The relevant Line Manager should also ensure the Claimant is informed of any progress made with their claim.

After ensuring there is sufficient Faculty/Directorate budget to meet the claim (by reference to the appropriate Management Accountant if necessary) and following consultation with their HR Advisor and Payroll Manager, the relevant Line Manager will consider the application and indicate their decision on the claim form. During this time, it may be necessary for the relevant Line Manager to liaise with the Claimant to discuss their claim.

When considering a claim, relevant Line Managers should take into account the following factors:

- The specialist skills and knowledge that the Claimant will bring to the University.
- The market demand for such a post.
- The distance between the Claimant's old and new residence.
- Personal impact upon the Claimant.
- The Claimant's efforts to reduce costs where possible.

## **5. HR Department**

The HR Department will ensure that it administers the payment of relocation expenses promptly and provide Claimants with written notification when applicable.

## **6. Help and Advice**

The HR Partner/Officer for your work area can provide further advice on the policy and its implementation.

# Appendix 1

## Form REL1 Claim for Reimbursement of Relocation Expenses

Name	Faculty/Dept	Emp. No	Tel Ext	Start Date

Post Title	Department	Date of Move

Relocated from (old address)	Relocated to (new and main residence)
<b>Post code</b>	<b>Post code</b>

Please list the relocation costs you wish to put forward for reimbursement and attach relevant, original and valid receipted VAT invoices. Where applicable, please also attach evidence of how you have attempted to minimise relocation costs. Use a continuation sheet where necessary

Total £

I have read and understand the University's Relocation Expenses Policy. I understand and accept that, should my employment end within 12 months of receiving the reimbursement for my relocation expenses, I will repay all of my reimbursed relocation expenses on demand. This will decrease to 50% of all reimbursed relocation expenses should my employment end within 24 months of receiving the reimbursement for my relocation expenses. I agree to the University deducting any outstanding monies owed from my final salary payment.

I also confirm that my partner/spouse has not received relocation expenses through another employer and I am aware that any false claims made under this policy could lead to disciplinary action up to and including dismissal.

<b>Claimant's Signature/Date</b>
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<b>Authorised Signatory/Date</b>	(relevant line manager)
<b>Name in Print</b>	

If the relocation expenses claim is for over £2,000 please provide your justification below.

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<b>SRG Signatory/Date</b> claims over £2,000)	(only required for
<b>Name in Print</b>	
<b>HR Partner Signatory/Date</b>	
<b>Name in Print</b>	

<b>Cost code to be used:</b>
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**When signed by all authorised signatories, form to be submitted direct to the HR Department, Eric Wood Building**

