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Oregon University System



**Controller's Division**

*OUS Financial Administration Standard Operating Manual (FASOM)*

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## Compensation -- Fringe Benefits -- Moving Expenses

The content of this policy is current, although it has not yet been transitioned to the new Fiscal Policy format. This will be accomplished as time and resources permit.

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### A. General

OUS's moving expense policy allows for an employee to be reimbursed for moving expenses, househunting expenses and temporary living expenses arising from a new appointment or transfer. This policy meets the requirements of an IRS accountable plan.

An employee may be reimbursed in advance for expenses as determined by authorized campus personnel. Any excess payments advanced must be returned within a reasonable period of time.

An employee must submit a request for reimbursement of relocation expenses within six months of the appointment date. The employee must submit a written request to extend this period up to an additional six months. Authorized campus personnel may grant the extension.

If an approved move is later canceled, the employee may request reimbursement for relocation expenses incurred before cancellation.

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## **B. Limits**

Limits for each type of expense are determined on a case by case basis as part of the employment negotiation process. Negotiated limits may not exceed the maximum amounts shown and are subject to budget availability and individual campus policy.

### **[1] Househunting and Moving Trips:**

#### **[a] Salary While HouseHunting and Moving**

An employee may be allowed up to ten days with pay for househunting and moving.

#### **[b] HouseHunting Transportation Between New and Old Location**

An employee may be reimbursed for the cost of up to two round trips between the new and old location for househunting. This may be two round trips for one individual or one round trip for two individuals.

If an employee travels by private vehicle, he or she will be reimbursed at the approved rate per mile. (See [Reimbursement Rates](#).) An employee may be reimbursed for common carrier fares if he or she travels by common carrier instead of by private vehicle .

#### **[c] HouseHunting Transportation in Vicinity of New Location**

Up to 200 miles of private-vehicle mileage may be reimbursed for househunting in the vicinity of the new location. The employee will be reimbursed at the approved rate per mile. (See [Reimbursement Rates](#).)

#### **[d] Moving Transportation**

If an employee travels by private vehicle, he or she will be reimbursed at the approved rate per mile. (See [Reimbursement Rates](#).) An employee may be reimbursed for up to two one-way common carrier fares in lieu of private-vehicle mileage.

#### **[e] Meals and Lodging While in Moving and House-Hunting Status**

An employee may be reimbursed for up to ten days of meal and lodging expenses incurred by him or her and any household members while house-hunting and moving.

Expenses will be reimbursed on a per diem basis. The employee will be reimbursed at the approved out-of-state low per diem rates. (See [Reimbursement Rates](#).)

### **[2] Temporary Living**

An employee may be reimbursed for the cost of up to 45 days of meal and lodging expenses incurred because of temporary living arrangements associated with a transfer or new appointment. Such expenses will be reimbursed on a per diem basis. Reimbursement will be made at the approved in-state per diem rates. (See [Reimbursement Rates](#).)

### **[3] Moving and Storage of Household Goods and Personal Effects of Employee and Household Members**

#### **[a] Services for Which an Employee is Reimbursed for Actual Expenses**

- Moving personal effects up to 20,000 pounds
- Full-value insurance on personal effects
- Appliance blocking charges and extra handling charges on items such as pianos and organs
- Up to 90 days storage and incidental handling charges for personal effects within the authorized weight limit (when approved in advance by authorized institution personnel). The employee must pay charges for storage exceeding 90 days.
- Packing, crating and unpacking -- including the cost of packing boxes -- up to \$1,000

#### **[b] Personal Effects in Excess of 20,000 Pounds**

Approval by authorized campus personnel is required when reimbursing an employee for the cost of moving personal effects in excess of 20,000 pounds. The request for approval must indicate the following:

- Estimated total weight
- Costs for moving both 20,000 pounds and for moving the total weight including storage charges if applicable
- Presence of any unusual items that cause the total to exceed 20,000 pounds

#### **[c] Temporary Storage of Possessions**

A request for approval to store the employee's possessions must show all of the following:

- An actual and reasonable need for storage
- An estimate of how long they will be stored
- An estimate of the cost

#### **[d] Miscellaneous Relocation Expense Allowance**

An employee may be reimbursed for up to \$1,500 for miscellaneous expenses that result directly from relocating. Receipts are required for all miscellaneous expenses.

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### **C. Reimbursement Rates**

The following table shows current OUS reimbursement rates associated with moving expenses, househunting expenses and temporary living expenses arising from a new appointment or transfer.

**Reimbursement Rate Table (effective 1/1/08)**

Lodging	\$160.50 per day for employee and household members (1.5 times the employee only lodging per diem)
	\$107.00 per day for employee only
Meals & Incidental Expenses	\$90 per day for employee and household members
	\$45 per day for employee only
Private Vehicle Mileage	48.5 cents/mile effective 2/1/07

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**D. Tax considerations**

Certain moving-expense reimbursements made to an employee or on an employee's behalf are considered non-taxable. Other moving-expense reimbursements are taxable income and must be reported on the employee's Form W-2. For taxable reimbursements, federal and state income taxes and social security and Medicare taxes must be withheld.

**[1] Non-Taxable Reimbursements****[a] The following are non-taxable moving expense reimbursements:**

- Moving and storage of household goods - The distance from the employee's former home to his or her new work location must be 50 miles farther than the distance from the employee's former home to his or her former work location (distance test). Also, the employee must be expected to work full time in the new location for a least 39 weeks during the 12 months following the move (time test). A deduction is allowed for the expense of storing and insuring items within the 30-day period after moving out of the former home and before delivery to the new residence. If the distance test and the time test are not met, the reimbursements are considered taxable compensation.
- Transportation and lodging while moving from the old residence to the new residence - Taxes will not be withheld on the first 20 cents/mile from reimbursements made to cover transportation for a one-way trip from the old residence to the new residence. Lodging is non-taxable. Taxes will be withheld, however, if an employee is reimbursed for additional trips. The distance test and time test as stated above must also be satisfied. Note: amounts reimbursed for meals are always taxable. (See [Taxable Reimbursements](#).)

**[b] Payment Method**

Pay through accounts payable using account code [10790](#).

### **[c] Reporting**

Non-taxable reimbursements will appear as a memo entry only in box 13 of the employee's W-2. Subject gross and taxes will not be affected.

## **[2] Taxable Reimbursements**

### **[a] Examples of Taxable Reimbursements**

- Reimbursement in excess of 20 cents per mile for vehicle mileage on move of more than 50 miles.
- Moving and storage of household goods -- 50-mile distance test and 39-week time test not satisfied.
- Lodging and transportation from old location to new location -- Extra trips are involved, or either the 50-mile distance test or 39-week time test is not satisfied.
- Meals
- Househunting expenses
- Temporary quarters
- Qualified expenses of selling, buying, or renting a home.
- Other miscellaneous payments

### **[b] Payment Method**

There are two options for paying taxable moving expenses:

- Submit through the payroll system using account code [10217](#). The employee will receive a check for the net amount after taxes are withheld.
- Pay through accounts payable using account code [10780](#). This is appropriate when the reimbursement is to an outside vendor. The amount of the moving expense reimbursement received through the accounts payable system is added to the employee's gross pay so additional taxes will be withheld.

### **[c] Reporting**

The taxable portion of moving expense reimbursements will be included in subject gross, social security gross, and Medicare gross on an IRS Form W-2. The amounts in the tax boxes will also reflect additional withholding.

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## **E. OUS Moving Expense Summary Table**

OUS's moving expense policy allows for an employee to be reimbursed for moving expenses, househunting expenses and temporary living expenses arising from a new appointment or transfer. This policy meets the requirements of an IRS accountable plan. Limits for each type of expense are determined on a case by case basis as part of the

employment negotiation process. Negotiated limits may not exceed the maximum amounts shown and are subject to budget availability and individual campus policy.

[\(One-page Moving Expense Summary Table, .pdf](#) - Effective 1/1/08)

Type of Moving Expense	Limits	Additional Information	Tax Impact
<b>Compensation</b>			
Salary while househunting and moving.	Up to ten days off with pay.	Only when moving or househunting is done after hire date.	Taxable
<b>Househunting</b>			
Transportation between new and old location.	Up to two round trips for one person or one round trip for two persons.	Common carrier fares or private vehicle mileage will be reimbursed at 48.5 cents/mile effective 2/1/07.	Taxable
Transportation in vicinity of new location.	Up to 200 miles	48.5 cents/mile effective 2/1/07.	Taxable
Meals and lodging	Up to ten days. (Limit is combined with limit for meals and lodging while moving - see below)	Lodging: \$107/day employee only. \$160.50/day employee plus household members. Meals & Incidentals: \$45/day employee only. \$90/day employee plus household members.	Taxable
<b>Temporary Living</b>			
Meal and lodging expense in new location.	Up to 45 days	Lodging: \$107/day employee only. \$160.50/day employee plus household members. Meals & Incidentals: \$45/day employee only. \$90/day	Taxable

		employee plus household members.	
<b>Moving</b>			
Moving company or van rental	Up to 20,000 lbs., insurance, extra handling charges, 90 days storage (see Tax Impact for additional information). Packing, crating and unpacking - up to \$1,000.00.	Approval required for reimbursement of cost of moving personal effects in excess of 20,000 lbs.	Non-taxable if over 50 miles; otherwise taxable. Storage first 30 days is non-taxable.
Transportation of employee and household members	Up to two one-way common carrier fares or vehicle mileage.	Common carrier tickets or vehicle mileage will be reimbursed at 48.5 cents/mile effective 2/1/07.	First 20 cents/mile are non-taxable for reimbursement on move over 50 miles. Reimbursement for move of less than 50 miles is taxable.
Meals and lodging	Up to ten days. (Limit is combined with limit for meals and lodging while househunting - see above)	Lodging: \$107/day employee only. \$160.50/day employee plus household members. Meals & Incidentals: \$45/day employee only. \$90/day employee plus household members.	Lodging: Non-taxable if over 50 miles. Meals: All meals are taxable.
<b>Miscellaneous</b>			
Closing costs, utility hookup, etc.	Up to \$1,500.00	Must submit receipts.	Taxable

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*Note: This electronic document supersedes all previous versions and is subject to change.*

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