

Valdosta State University **Employee Relocation Allowance** **Business Process Outline**

VSU offers a competitive Employee Relocation Allowance in lieu of relocation expenses. Based on the enactment of the Tax Cuts and Jobs Act (TCJA), reimbursement of actual qualified moving expenses incurred is required to be included in the gross income of the employee receiving these payments. This rule applies whether the employee incurs the moving expense directly or indirectly.

The specific amount of the relocation allowance must be included in the original offer letter and cannot be negotiated post-offer, as this would be considered a violation of the Gratuities clause of the Constitution of the State of Georgia.

To attract highly qualified faculty and staff, the University may provide a relocation allowance if:

1. Funds are available in the department budget, AND
2. The University is in danger of losing the qualified candidate, AND
3. The distance between the old home and the new place of work is at least 100 miles greater than the distance between the old home and the old place of work.

Allowance Amounts:

- For intrastate relocations (within Georgia), the allowance is up to 10% of base salary or \$5,000 - whichever limit applies first.
- For interstate relocations (outside of Georgia), the allowance is up to 10% of base salary or \$15,000 -whichever limit applies first.
- Relocation Assistance for the President is negotiated and determined by the Chancellor of the University System of Georgia, or designee.

Payment:

The allowance will be paid as additional taxable compensation through the payroll department during the first month of employment, with all applicable federal, state, and FICA taxes withheld. Receipts or bids for moving expenses are not required, however, confirmation and verification of relocation must be provided before the allowance will be paid.

Repayment Requirement:

Recipients whose employment ends prior to the completion of twelve (12) months of service will be required to repay a pro-rated portion of the relocation allowance, calculated at one-twelfth (1/12) of the total gross allowance for each month of service not completed.

Types of Expenses:

The relocation allowance is considered a lump sum, all-inclusive allowance that covers the following expenses:

- Looking for a new residence
- Temporary housing
- Transporting household goods
- Utility reconnection
- Transporting family members to the new location