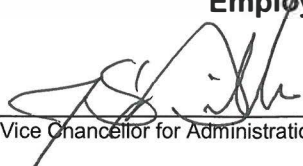


**Pennsylvania's State System of Higher Education
Tax Procedures for University Operations**

**Tax Procedure 2017-1-A
Employee Moving Expenses**

Approved by:


Vice Chancellor for Administration and Finance

Date:

3-2-18

History: Amended for 2017 Federal "Tax Cuts and Jobs Act" Tax Legislation

Adopted: May 31, 2017

Amended: March 1, 2018

Additional History:

Related Policies, Procedures, or Standards: [Board of Governors Policy 1984-14-A: Terms and Conditions of Employment of Senior Policy Executives](#)

Internal Revenue Service (IRS) References: Internal Revenue Code Section 132(g)

All references to "university" or "universities" in this document apply to the 14 State System universities, all branch campuses, and the Office of the Chancellor.

I. Background and Summary

IRS regulations state that reimbursement or payment of moving expenses to employees is taxable as compensation. [Board of Governors Policy 1984-14-A: Terms and Conditions of Employment of Senior Policy Executives](#), sections A.4.e. and B.4.b., provide that university presidents, provosts, vice presidents, academic deans, and other positions 200 and above may be eligible to receive reasonable and customary relocation expenses when hired:

- A. Section A.4.e.: At the time of employment, moving expenses [for the president] will be paid by the university, whether the move is within the State System or into the State System. Reimbursement of reasonable and customary relocation expenses (subject to IRS regulations and State System procurement policy and procedures) will be covered. Reimbursement of costs requires the president to obtain a minimum of three quotes from responsible bidders. Reimbursement will be capped at the amount quoted by the lowest responsible offeror.
- B. Section B.4.b.: At the discretion of the appointing authority, at the time of employment, moving expenses may be paid in part or in full [for a provost, vice president, academic deans, and other positions 200 and above] by the university, whether the move is within the State System or into the State System. Reimbursement of reasonable and customary relocation expenses (subject to IRS regulations and State System procurement policy and procedures) will be covered. Reimbursement of costs requires the individual to obtain a minimum of three quotes from responsible bidders. Reimbursement will be capped at the amount quoted by the lowest responsible offeror.

II. IRS Regulations

Expenses or reimbursements paid by the employer for an employee's moving expenses are included as wages in box 1 of the employee's Form W-2 and are subject to withholding of income, social security, and Medicare taxes.

III. State System Procedures

- A. If a prospective or transferred employee is approved to receive reimbursement of moving expenses associated with accepting a position at the university, the employee's appointment letter or transfer letter must specifically state:
 - 1. That payments are taxable as compensation to the employee and will be paid via payroll, on a reimbursement basis, with all applicable taxes withheld, including state and local taxes.
 - 2. The details of what reimbursements the employee will receive for the cost of moving household goods, travel, and any other expenses related to moving from the employee's old residence to a new residence.
 - 3. The requirement that the employee obtain quotes from three moving companies, if applicable, and that reimbursement will be capped at the lowest bid.
 - 4. The information required from the employee to document expenses, such as itemized receipts that demonstrate payment.
 - 5. The maximum amount of reimbursement.
- B. With the assistance of their human resources office, new or transferred employees should complete the *Pennsylvania's State System of Higher Education Employee Moving Expenses Reimbursement Request* form (or a similar university document) to request reimbursement of approved moving expenses.
- C. All reimbursements to employees for moving expenses will be paid by the university's payroll office with all applicable taxes withheld, including federal, state, and local income taxes, and social security and Medicare taxes.
- D. Reimbursements for employees' moving expenses are not eligible for retirement or other benefits contributions from the employer or employee.

**Pennsylvania's State System of Higher Education
Employee Moving Expenses Reimbursement Request**

Employee Name

PERN:

**Attach all itemized receipts detailing specific expenses.*

**Only approved items may be reimbursed.*

**Document details of all expenses, including those incurred on behalf of family members.*

1. Cost of moving household goods and personal effects, including the cost of packing, crating, and transportation. (Attach 3 quotes.)	\$0.00
2. Travel to new permanent or temporary home for you and members of your household.	
a. Enter date(s) of move: From <input type="text"/> To <input type="text"/>	
b. Lodging expenses during actual move (through first night at new job location)	\$0.00
c. Airfare and related expenses (parking, shuttle, etc.)	\$0.00
d. Number of miles driven <input type="text"/> 0 Rate: \$0.000	\$0.00
e. Parking/tolls paid during transit	\$0.00
3. Storage of household goods and personal effects during move.	\$0.00
4. Cost of shipping your car and household pets.	\$0.00
5. Other (specify):	\$0.00
_____	\$0.00
_____	\$0.00
_____	\$0.00
_____	\$0.00
_____	\$0.00
Total Expenses Paid and Reported on IRS Form W-2	\$0.00

Employee Certification

I certify that the above expenses are true and correct. I understand that reimbursement for all moving expenses will be reported on my IRS Form W-2 and be subject to withholding of federal, state, and local income taxes and social security and Medicare taxes.

Signature of employee requesting reimbursement

Date

Cost Center review and approval

Cost Center No.

Date

Human Resources review and approval

Date

Controller review and approval

Date