Introduction
Effective 01/01/2018

All reimbursements for moving and relocation costs made to employees or paid directly to third parties on or after January 1, 2018 are includable in taxable wages, and subject to federal, state, OASDI and Medicare taxes as required by the IRS. Know that these taxable wages will be added to an employee’s paycheck following the move and reported on the employee’s W-2.

Brown University will provide moving services for eligible newly hired faculty and staff. Brown has chosen a preferred moving services provider who will coordinate all eligible moves. Use of the preferred moving services provider assists in managing the cost and hassle of a household move, leaving the new employee to focus on settling into a new community.

Policy Statement
Brown University will cover the costs for reasonable moving expenses associated with moving household and personal goods for eligible newly hired faculty and staff.

A preferred moving services provider coordinates all University approved new hire moves and bills the University directly for all reasonable moving expenses associated with moving the household goods and personal items covered by this policy. Consequently, there is no cash outlay to or by employees. The costs of the approved expenses are considered taxable wages and will be reported in the employee’s next paycheck following the billing by the third party and are subject to all income and employment taxes.

Eligibility
Faculty carrying the titles of Assistant Professor, Associate Professor, Professor, Lecturer and Senior Lecturer, as well as staff hired into a regular full-time position (position must be at least 10 months in duration) are eligible. Faculty carrying titles with prefixes and suffixes such as (Research), Visiting or Adjunct are not eligible, nor are those in inherently short-term appointments such as postdoctoral research associates or fellows.

Employees moved by the moving services provider are automatically covered for the full value of household items up to a maximum of $100,000. There is no weight maximum attached to moving household items.

Employees who are not eligible for coverage under this policy can choose a moving services provider of their choice. Please note that this option is fully employee paid and is subject to the terms of agreement between the employee and the vendor of the employee’s choice. These expenses will not be included in an employee’s wages since they are not covered under this policy. In addition, due to the tax law change these expenses are no longer deductible.

In order to qualify for benefits under this policy, an employee must use the Brown University preferred moving services provider. If another moving services provider is chosen, all allowable reimbursement costs will be based on rates quoted by the Brown University preferred moving provider.

Voluntary Termination
If a relocated employee voluntarily terminates employment at Brown University within twelve months from the date of the move, the employee must refund to Brown the full amount of the relocation payment. Utilization of this policy confirms your acceptance of the above terms. It is the department’s responsibility to notify the Benefits Office of the voluntary termination, as well as to collect the refund.
and submit it to the Benefits Office. Once a repayment is made, the individual will receive a corrected W-2 to remove the income reported. This may result in a need to file an amended tax return. Please consult with your accountant upon receipt of the correct W-2.

**Expenses**
Expenses covered under this policy are:

- Transportation charges for one continuous move of household items and personal effects from the primary residence to the Rhode Island area.
- Packing costs.
- Container costs.

The following expenses are among those not covered:

- Costs of personal travel;
- Costs to move a boat, automobiles, animals or other non-household items;
- Costs of pre-move house hunting trips and temporary housing;
- Storage expenses for furniture and other household items;
- Costs of cleaning a new or former residence; and/or
- Payments to non-professional movers (e.g. friends or family members) who assist you with a move.

Those employees who require coverage for expenses that are not covered by this policy are responsible for those expenses. Examples include: Moving a boat or automobile, or additional insurance coverage, etc. The preferred moving provider offers special rates for additional expenses.

**Definitions**

**Reasonable Moving Expenses:** Those expenses directly related to the moving of household items and personal effects from the employee's former residence to the new residence. Brown's policy does not cover expenses for transport of such possessions as boats, animals, or other items which are not generally considered household items.

**Responsibilities**

Employee: The employee should contact the preferred moving services provider directly for assistance with relocation to the Rhode Island area.

Preferred moving services provider: The preferred moving services provider will coordinate the move of the new employee, as well as contact the Administration and Finance Specialist to ensure eligibility criteria are met.

Administration and Finance Specialist: The Administration and Finance Specialist will approve or deny the move request, as well as process payment of the movement of household items and personal effects consistent with the Brown University Moving Expenses Policy.

Employment Specialist: The Employment Specialist will provide the new employee's employment information to the Administration and Finance Specialist.

Controller: The University Controller's Office will ensure that any moving expenses provided are treated as taxable income to the employees.

**Procedures**

**Upon move authorization.** Employee will contact the preferred moving services provider: Barbara Hodgson, Conlon, at 401-351-2220, ext. 14, to coordinate the move and receive information specific to
your household move.

- The preferred moving services provider will communicate with the Administration and Finance Specialist to ensure eligibility criteria are met.
- The Administration and Finance Specialist will connect with the Employment Specialist to determine the new employee's employment information and will then approve or deny the moving request.
- Once an approved move has taken place, the Administration and Finance Specialist will process payment to the preferred moving services provider and report the taxable wage to Payroll subject to applicable withholdings.

**Use of alternate moving services provider.** If a new employee approved for moving expenses chooses to use an alternate moving services provider, they are responsible for all payments and expenses related to the move. The following procedure will be followed to seek reimbursement of eligible expenses:

- When the move is completed and they have begun work, new hires must submit a Moving Expense Reimbursement Form with original receipts to their department.
- The department will submit the form and receipts to the Benefits Office or Faculty Personnel.
- The Benefits Office or Faculty Personnel will then contact the University preferred moving services provider and will reimburse expenses up to the amount that the University preferred moving services provider would have charged for the move.
- Determination of the reimbursable amount by the University preferred moving services provider is final and not subject to change.
- Appropriate documentation for reimbursement must be submitted to the Benefits Office or Faculty Personnel within 60 days of the date of the actual move.
- Reimbursed expenses will be added to the employee's next paycheck and will be subject to all applicable withholdings, reducing the net amount received by the employee.

Forms/Instructions [Moving Expense Reimbursement Form and Worksheet](https://www.brown.edu/about/administration/policies)

**How will this impact my pay?**

Please see the following example:

An employee has accepted a position at Brown University with an annual salary of $65,000. The employee elected their withholding to be single zero. The employee is relocating to Providence.

**Scenario 1:** Brown pays Conlon Moving directly

Brown University directly pays Conlon, the preferred moving services provider, $5,000 for the moving expenses. The amount paid by Brown will be added to the employee's paycheck in the pay cycle in which the final invoice is received by the University. The impact on the employee's paycheck will be as follows:

- **Gross pay prior to addition of moving expense:** $5,400
- **Net pay prior to addition of moving expense:** $4,400
- **Gross pay after addition of moving expenses:** $10,400
- **Net Pay after Addition of Moving Expenses:** $2,300
Taxes will be withheld on the $5,000 moving expenses, the net pay will be reduced by approximately $1,100.

**Scenario 2: Employee pays moving expenses directly**

The employee pays the $5,000 for the moving expenses and is reimbursed by Brown University.

- Gross pay prior to addition of moving expense: $5,400
- Net pay prior to addition of moving expense: 4,400
- Gross pay after addition of moving expenses: $10,400
- Net pay after addition of moving expenses: $7,500

Taxes will be deducted from the $5,000 moving expense reimbursement decreasing the amount of the reimbursement.

Please note the scenarios above are for illustration purposes only and may not be exact amounts. These illustrations do not include any pre/post tax deduction items that may also have an effect on net pay.

**What is considered one continuous move?**

This is the move of household and personal goods from a newly hired employee's former residence to the Rhode Island area. If a new employee chooses to have their goods delivered to storage, this will be considered their final destination. The University will not cover the cost of moving goods out of storage to a permanent residence.

**I need to move my automobile, but the cost is not covered by the University. What should I do?**

The moving services provider can still assist with any items not covered under the policy. New employees are responsible for these expenses and will receive discounted rates.

**I have a question on an eligible expense, who do I contact?**

Please contact Barbara Hodgson at Conlon, the preferred moving services provider, at 401-351-2220, ext. 14.

### Related Information

**IRS Guidelines.** All employees must meet the following IRS required criteria:

- The distance the new employee would have to commute to Brown from their previous residence, were they not to move, must be at least 50 miles greater than the distance of their prior employment required commute. Please see the Forms/Instructions section above for a link to the Moving Expenses Reimbursement Form and Worksheet.
- The move itself must take place within 12 months of the start of the new job and there must be an expectation of remaining in the position for longer than one year.
- Per IRS regulations, all moving expense reimbursements are considered taxable wages and are subject to withholding taxes.

**Special Needs and Circumstances.** Regular faculty whose needs include moving laboratory equipment or special collections are advised to contact their department for information about coverage of such expenses.
Under certain circumstances, a department may choose to reimburse moving expenses not covered by the policy. Expenses not covered by the Brown University moving policy are considered taxable fringe benefits and any reimbursement by Brown will be treated as a supplemental wage payment, subject to applicable withholding deductions.

Note: This summary is not intended to constitute an agreement on the part of the University or an offer to enter into an agreement. Certain Departments may be excluded from this policy as determined by the Office of the Executive Vice President for Finance and Administration.

Policy Owner Approved by Vice President for Human Resources

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