

Relocation Policy and Procedure

POLICY COVERSHEET

# Key Details

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| **POLICY TITLE** | Relocation Policy and Procedure |
| **DATE APPROVED** | 30th June 2021 |
| **APPROVING BODY** | Combined Academic Board |
| **VERSION** | 1.3 |
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| **NEXT REVIEW DATE** | March 2026 |
| **OUTCOME OF EQUALITY IMPACT ASSESSMENT** | Policy adjusted to accommodate all grades of staff.  |
| **RELATED POLICIES / PROCEDURES / GUIDANCE** |  |
| **IMPLEMENTATION DATE** | 1st July 2022 |
| **POLICY OWNER (JOB TITLE)** | Director of People Services |
| **UNIT / SERVICE** | People Services |
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**Mae'r ddogfen hon hefyd ar gael yn Gymraeg** / This document is also available in Welsh

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# Statement and Purpose

## Cardiff Metropolitan University aims to attract, recruit and retain outstanding candidates. In support of this aim, the Relocation Policy and Procedure is designed to support mobility so that national and international geography is not a barrier to recruitment.

## The policy is designed to support newly appointed employees with the financial and practical challenges associated with relocating.

## The relocation package is intended to be a contribution to the costs incurred in relocation and is not a commitment to meet all the costs involved. Expenses are reimbursed in line with HMRC guidelines

## This policy is non-contractual.

# Scope

## Existing members of staff are not eligible to claim relocation expenses. Newly appointed employees will qualify for relocation expenses where the following criteria are met:

### They have accepted a written offer of employment with Cardiff Metropolitan University.

### The employee is relocating from a main residence 50 miles (as the crow flies) or more from their proposed University work-base.

### The employee is moving to a main residence, which is less than 30 miles away (as the crow flies) from their contracted University work-base.

# Allowances

## Where eligible, employees moving from within the UK or overseas will be entitled to claim relocation expenses (including VAT), up to 10% of their annual starting salary, to a maximum of £8,000. This is in line with the HMRC tax free allowance. The £8,000 limit is inclusive of all eligible costs including travel & air fares and the international allowance (see 3.2 below).

## Where eligible, employees relocating from overseas will be entitled to claim, within the £8,000 allowance, relocation expenses for international travel, Visas and NHS entry costs. There is a £4,000 capped total on the reimbursement of these particular costs

## The total cost of all relocation claim removal costs including travel, Visa and NHS costs should not exceed £8,000. The £4,000 international allowance is included within the £8,000 limit.

## Visa and NHS surcharge costs for the new employee and their dependents may be subject to payroll tax and NI deductions the cost of which will be borne by the employee. Whether or not taxes apply will depend on individual circumstances.

## The Dean/Director should discuss any exceptional cases with their recruitment advisor. Exceptional requests in excess of £8,000 are subject to HMRC tax and NI contributions and will require the **prior** approval of the Dean/Director **and** the Chief Officer (Resources). The costs of any tax and NI charges will be borne by the member of staff

## Payment of relocation expenses will only be made in relation to eligible expenditure and must be supported by original receipts

## A new member of staff will not be eligible to make a claim for assistance under the scheme if any other member of their household is claiming, or will be claiming, the relocation expenses in connection with the move, either from the University or from another source. In submitting an expense form the individual is agreeing to this requirement.

# Permissible Costs

## The University’s policy is that the type of relocation costs that the University will reimburse must fall within the HMRC definitions of qualifying costs for the purpose of tax relief. The only exceptions being:

## Visa & NHS surcharge costs – depending on individual circumstances these may bear tax and NI charges

## Payments made above the £8,000 HMRC relief limit

## A list of eligible costs can be found at [Annex 1](#_Annex_1_Eligible)

## If there is doubt whether an expense qualifies under the relocation policy; prior to incurring the charge budget holders should refer to HMRC directions which can be viewed [here](https://www.gov.uk/expenses-and-benefits-relocation). Where interpretation of HMRC guidance remains in doubt please contact the Head of Payroll and Pensions payroll@cardiffmet.ac.uk

## Claims will be met by the departmental budget of the employing school or unit.

# Claiming Relocation Expenses

## Relocation expenses must be submitted on a properly completed [removal expenses claim form](#_Annex_2_Relocation) together with supporting original receipts.

## Relocation expenses claims cannot be made in advance of the employee’s start date and no advances will be made.

## All claims must be submitted within a year of the employment start date. To qualify for the tax exemption, the removal expenses must be incurred and reimbursed before’ the last day of the year of (tax) assessment following the one in which the employee starts the new job.’ (HMRC).

### The tax year commences on 6th April. Tax years run from 6th April to 5th April in the following year.

### For example, if an employee starts a post in March 2023 this is tax year one. Tax year 2 starts the 6th of April 2023 and they will have until 5th April 2024 to make and receive an expense claim.

#### All claims made outside of the HMRC time limits are fully taxable even if the claim is less than £8,000. Claims received outside of the HMRC time period will be taxed at the employee’s income tax rate applicable at the time and taxes will be deducted from employees’ pay. It is therefore in employees’ best interests to submit a prompt claim.

### Employees should allow up to six weeks for claims to be received and processed by Finance as payments will be made on the subsequent payroll run.

### Employees should take account of the above time limitations when submitting a claim.

## All claims in relation to this policy and procedure must be made in a single claim after the newly appointed employee has started work.

## Claims must be authorised by the relevant Dean, Director or delegated budget holder. Once approved the claim should be sent to payroll@cardiffmet.ac.uk for checking and processing

## Claims will be met by the departmental budget of the employing school or unit.

# Skilled Worker Maintenance Allowance

## If you are entitled to claim the skilled worker maintenance allowance (SWMA), this must be claimed and paid within the first month of employment. Claims for the SWMA are separate from this policy, should be marked urgent and addressed to People Services via an email request to humanresources@cardiffmet.ac.uk

# Repayment of Relocation Expenses

## When claiming relocation expenses, the employee must sign a declaration to indicate that should they leave the employment of the University before the completion of 3 years’ service, that they understand that all, or a proportion of the relocation payment must be repaid to the University.

## Where the employee leaves Cardiff Metropolitan University within 3 years of appointment, the University will be repaid on the following basis:

### Within one year of employment: 100% of sums paid.

### Within two years of appointment: 50% of sums paid.

### Within three years of appointment: 25% of sums paid.

### By exception, for certain posts alternative repayment terms may be agreed in the engaging employment contract

## The requirement to repay relocation expenses will be waived should an employee leave before the three years has expired following a change instigated by the University over which the individual has no direct control.

## Where a member of staff has received relocation expenses and leaves the University within the 3-year period, the budget holder must promptly notify the Finance and People Services Departments so that a payroll deduction can be processed.

## Wherever practical, and in most cases, the repayment will be deducted automatically from the employee’s salary. If there is an outstanding balance, the employee will be required to repay the amount due before they leave the University’s employment.

# Policy Revision

## The Finance Department and People Services Department will proactively advise and support the application of this policy.

## To ensure it is relevant and effective, this policy will be reviewed every three years or whenever there is a change in the University’s requirements, employment legislation or case law.

# Annex 1 Eligible Relocation Expenses

## HMRC allows tax exemption on relocation expenses within certain parameters. Full information can be found on the HMRC website however a summary is provided below:

## Removal of furniture including:

## Van Hire

## Removals company -**evidence must be provided of 3 quotations** and the University will reimburse the cost of the lowest quote. (Any difference must be paid by the newly appointed employee).

## Shipped packages.

## Removals insurance.

## Storage fees.

## Professional purchase fees.

## Agency fees for finding new property.

## Personal travel to take up post - one trip only.

## Where class of travel above economy or standard is preferred, the University will reimburse the cost of the economy fare and the newly appointed employee will pay the difference. This covers travel costs for the newly appointed employee and immediate family. Immediate family are partner and dependant children if 18 and under. Other family members will not be considered (for example parents). Personal travel may include:

### Car travel: mileage allowance at the current rate of direct travel from the previous residence to the new residence.

### Rail travel: the cost of standard rate travel.

### Sea travel: The cost of standard rate for a car ferry.

### Air travel: The cost at economy class rate.

### The cost of transporting family pets.

## Costs of accommodation while visiting the area to secure accommodation – up to a maximum of two nights (this does not include subsistence).

## Temporary accommodation up to the maximum of 6 months when maintaining a property elsewhere. For costs for temporary accommodation to be met by the University, the newly appointed employee must be able to evidence that they have dual property commitments as a result of the relocation and that they are actively looking to purchase or engage in a contract for a new permanent residence.

## Solicitor fees.

## Surveyor fees.

## Estate agent fees.

## Stamp duty.

## Eligible employees relocating from outside of the UK will be entitled to claim an allowance for economy travel for themselves and their immediate family when relocating to the UK (immediate family includes partner/spouse and dependent children under the age of 18 only). See section 3 for allowance limits

## Eligible employees relocating from **outside** of the UK will be entitled to claim a reimbursement towards the cost of their Visas and NHS entry requirements. See section 3 for allowance limits

### The reimbursement of visa costs in the above situation are not usually taxable. The reimbursement of NHS costs are taxed.

## Eligible employees relocating from **inside** of the UK and who require a visa will be entitled to claim a reimbursement towards this cost.

### Note that visa costs are taxed when applying from within the UK.

##  If there is doubt whether an expense qualifies under the relocation policy; prior to incurring the charge employees should contact the The Head of Payroll & Pensions to clarify payroll@cardiffmet.ac.uk

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# Annex 2 Relocation Expenses Claim Form

|  |  |  |
| --- | --- | --- |
| Relocation Expenses Claim Form | Staff No. |  |
| Full Name |  | Start Date |  |
| Position |  | Department |  |
| E-mail Address |  |
| Former Address |  |
| New Address |  |

Notes:

Only fully completed and properly authorised forms will be processed

All expenses claimed must be supported by receipts and be in accordance with the rates allowed within the Relocation Procedure

In authorising a claim the authoriser is stating that he/she is satisfied that the claim is reasonable and justified.

 Once completed and signed, please send this form, with original receipts attached, to Payroll@cardiffmet.ac.uk Payroll, Cardiff Metropolitan University, Western Avenue, Cardiff, CF5 2YB. Claims in foreign currencies will be calculated on the exchange rate in place on the day of processing.

|  |  |  |  |
| --- | --- | --- | --- |
| **Expenses Claimed** | **Description** | **Receipt Attached** | **£ : p** |
| Accommodation |  |  | : |
| Removals |  |  | : |
| Storage |  |  | : |
| Transportation |  |  | : |
| Other |  |  | : |
|  |  |  | : |
| **Total Relocation Claim** | : |

|  |  |  |  |
| --- | --- | --- | --- |
| Sort Code |  | Account number |  |
| Account Name |  | Bank Name |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Signature of Claimant |  | Budget Holder Signature |  |
| Date |  | Print name & date |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| For Finance use only | Activity Code |  |  |  |  |  |  | Account  | B | B | 4 | 0 | 1 |
| Finance Approved |  | Date |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  Finance use only Processed by |  | Cast |  | Signatory |  | Comments |  |

**Once completed please complete the Declaration on the next page**

Expenses Form and Repayment Declaration

**Employee Name:**

**Post: School/Unit:**

**Start date:**

**Former Address:**

**New Address:**

**I, the above named, confirm that I have read and understood the University’s Relocation Policy and accept the relocation expenses financial support offered to me under the terms of the Policy.**

**I confirm that if I leave the University’s employment within 3 years of appointment I will repay the University in line with this policy, the expenses paid to me.**

**I agree to the deduction by the University of any outstanding sums due by me, including from my final salary payment.**

 **Signature: Date:**

**Further HMRC guidance on relocation expenses can be found** [**here**](https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03102) **and** [**here**](https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim03100)**.**