



## RELOCATION POLICY FOR NEW EMPLOYEES

### 1. PURPOSE

To provide appointments at a senior level with an allowance to claim for reasonable relocation expenses incurred as a result of a change in their place of residence, either within the United Kingdom or from overseas (outside the UK) to the UK.

The allowances detailed in this document may be modified at the discretion of the Director of People Performance & Culture (PPC) in conjunction with the Executive Board.

### 2. SCOPE

This policy applies to new employees taking up employment with the University at the grades as listed in section 10.

Consideration may be given to any strong business case put forward by the relevant Head of area or Service Director for individuals who fall outside this criterion. Approval of the Director of PPC and Executive Board would be required in such circumstances.

The University reserves the right to apply or vary this policy although any variation must accord with the University's commitment to equality of employment opportunity. The benefits specified are the maximum allowable. HM Revenue & Customs (HMRC) limits and requirements may also affect eligibility and entitlement.

### 3. ELIGIBILITY

Relocation allowance will be entirely at the discretion of the University and will only be offered where:

- the skills and expertise required to satisfactorily perform the job are not readily available within the local regions, and
- a job offer has been made to an individual who, in the view of the University, lives outside the limits of practical travelling distance or time to fulfil the requirements of the job. Those limits are more than 50 miles or 1 hour's travelling time from the campus location to which they are appointed.

Posts provided on a fixed term basis are eligible for relocation under the terms of this policy though in accordance with section 4.6 will be subject to reimbursement. Part time posts are entitled to relocation.

In establishing eligibility and the level of relocation allowance, the University will take into account:

- current home base
- proposed travel arrangements, such as distance, time and method of travel
- the commercial interests of the University
- the estimated cost of relocation

Any proposed home base must be less than 25 miles from the work location. The Director of PPC or Executive Board would need to specifically approve any proposed relocation in excess of this distance.

## 4. PROCEDURE

### 4.1 Approvals

The proposal to offer relocation allowance must be approved by the Director of PPC or Executive Board before any expenses will be authorised. Provisional approval should be obtained prior recruitment.

### 4.2 Offer

An offer of relocation allowance will be made by PPC following approval. This offer must be signed and returned by the individual concerned to acknowledge acceptance of the terms set out in this policy before any claims for payment may be processed.

### 4.3 Commencement

Once an offer of relocation allowance on change of residence has been accepted, relocation should commence as soon as possible. The University reserves the right to withdraw the offer if evidence that the relocation has begun cannot be supplied within 6 months or if prior authorisation for a delay has not been given by the Director of PPC or Executive Board. Consideration should also be given to the time limit in section 4.5.

### 4.4 Re-imbusement of Costs

Once the signed offer of relocation letter has been received by PPC, information about how to claim will be sent from Payroll Services.

All claims for relocation re-imbusement must be submitted via the Expenses system. All receipts are to be scanned against each claim for approval and HMRC recording purposes. Relocation expenses will be reimbursed via the University's payroll, providing they constitute an approved expense. Claims should be submitted in a timely manner and will be paid on the next available payroll run.

Where the expenditure claimed exceeds the approved allowance, then reimbursement will only be made up to the maximum of the relocation allowance awarded.

In the event an individual requires assistance with funding their move prior to commencement, an advance of up to 50% of the available relocation allowance may be requested.

### 4.5 Reclaim

Where an employee, who has claimed relocation or travel allowance, leaves the employment of the University by reason of resignation, end of fixed term contract or as a consequence of gross misconduct or breach of contract, then the University will reclaim monies paid through relocation.

The University will seek reimbursement based on the following timescales.

|  |                    |
|--|--------------------|
| Leave employment during the first year | 100% reimbursement |
| during the second year                 | 66% reimbursement  |
| during the third year                  | 33% reimbursement  |

Acceptance of an offer of relocation allowance therefore includes agreement to the University recovering the reimbursable amount from the notice period and final payment. Where the employee's final pay is insufficient to fully repay the amount in full, then the remaining balance will be due immediately via direct payment to the University. Where applicable, the payroll department will contact individuals should a balance be outstanding following the final payment.

### Time Limit

For an employee to be eligible for tax and Class 1A national insurance relief, expenses must be incurred, or the benefits provided, before the end of the tax year following the one in

which the job commences. A tax year runs from 6 April one year to 5 April the next. The date of moving does not matter so long as the move satisfies the conditions set out above.

It may be possible to extend the time limit if, for example, the move has had to be delayed to allow a child to complete school exams, or because it has not been possible to sell the old home within the time limit.

#### **4.6 Tax relief**

For an employee to be eligible for tax and Class 1A national insurance relief, under HMRC rules the employee must relocate their main domestic residence. This is the property that is the employee's family home for most of the time and their address for correspondence. It is not necessary for the employee to have disposed of the previous residence.

If the employee does not in fact change their main residence within the time limit, any expenses paid or reimbursed, or benefits provided in connection with the relocation will become taxable.

### **5. ALLOWABLE RELOCATION EXPENDITURE**

The relocation allowance allows for reimbursement of expenditure for temporary accommodation, travel allowance during search and house move and other relocation assistance, subject to HMRC regulations. Further details of which are provided below.

These allowances apply equally to eligible staff regardless of whether they are a homeowner or live in rented accommodation before or after relocation. Please note however HMRC regulations are clear that the new home must become the sole or main place of residence.

#### **Scope and value of relocation assistance**

The University will provide, subject to the eligibility criteria above, reimbursement to employees for specified items of relocation expenditure. The allowances payable under this section of the scheme are subject to an overall maximum as detailed in the table below.

#### **Temporary Accommodation**

Temporary accommodation is accommodation obtained for when the employee moves to the area and whilst arrangements are completed for permanent residence. This may include hotel, bed and breakfast or a single short term tenancy agreement which may be for 6 months. The University's relocation support may not be used to fund any accommodation costs beyond 6 months of the commencement date. At this point, the university would consider accommodation to be permanent.

#### **Removals and Storage Costs**

Removal costs for the transportation of the employee's household goods and personal belongings will be reimbursed, subject to the overall limit. Temporary storage costs are also covered. Domestic belongings include those of the employee and members of the employee's family or household. It should be noted the cost of moving pets, unusual household items, garage and workshop equipment or work office related items are not included and would have to be met in full by the employee.

#### **Legal/Conveyancing Costs**

Employees may use a solicitor or conveyancing agent of their choice. Eligible items for reimbursement under this heading include conveyancing costs, disbursements, Land Registry fees and Stamp Duty (where payable) for house sale/purchase cases and house rental agreement payments, subject to the overall limit. Please note that the costs of conditional bonds on rented property agreements are not included and would have to be met in full by the employee.

#### **Estate Agents' fees**

The University will meet all reasonable estate agent fees and expenses incurred in selling the existing property, subject to the overall limit.

### **Valuation, survey, building society/bank and legal fees**

Eligible items under this heading include house surveys, mortgage indemnity and mortgage redemption fees, subject to the overall limit.

### **Utility disconnection and connection charges**

Charges incurred in disconnection and reconnection of utilities (ie gas, oil, electricity, water and telephone) at the old and new home will be covered, subject to the overall limit. This does not apply to the provision of new utilities.

### **Travel and Subsistence**

The employee is entitled to travel for:

- Preliminary visits to the new location
- Temporary living accommodation – where the individual intends to move to permanent accommodation to complete the relocation but moves into a temporary property until the old home is sold and/or the new purchase completed.
- Travel between the old home and new work location
- Travel between the old home and temporary living accommodation
- Subsistence in line with the University's Expenses Policy

Members of the employee's family may be entitled to travel for preliminary visits to the new location and travelling between the old home and new home when the move takes place.

### **Visa costs**

The University provides a Visa Loan Scheme to support employees with the cost of visa applications and associated charges (such as the NHS Health Surcharge which is not allowable expenditure under this policy).

Where individuals require financial assistance to submit their online Visa and NHS Health Surcharge applications, the University offers an advance payment of the cost. For further information please refer to the Visa Loan Scheme and Application form which is available from PPC's portal page or on request to [payrollservices@lincoln.ac.uk](mailto:payrollservices@lincoln.ac.uk)

The employee may however claim the cost of their visa and that of their dependents from the relocation allowance. This does not include the cost of renewals or the NHS Surcharge.

## **6. UNALLOWABLE RELOCATION EXPENDITURE**

Some specific expenditure is strictly **excluded** from reimbursement. Examples of these, from HMRC guidance, are given below:

- Visa renewal costs and Leave to Remain application fees
- NHS Surcharge
- Costs of disconnection/reconnection of electrical or other household appliances
- Cost of replacing or purchasing new furniture or other household items or domestic goods
- Any household cleaning at the old or new property
- Associated costs incurred in obtaining visas/passports
- Removal of motor vehicles, livestock or pets
- Payment of council tax and day to day utility costs
- Compensation for any loss of sale on the employee's home
- Re-direction of mail
- Interest payments for the mortgage on the employee's existing home

- New school registration fees or purchase of school uniforms
- Joining fees for new sports or social clubs
- Any refundable deposits

This list is non-exhaustive. Please contact PPC for HMRC clarification on any items not detailed above.

## 7. RELOCATION SERVICES

To support the process of relocating to a new area, the University works with Relocation Support Services (RSS) <http://www.relocationsupport.co.uk/> to handle all or aspects of the relocation process. Our relocation [video](#) describes the process and gives you an insight of the campus and the Lincoln area. Further information is available from [PPC portal pages](#)

This reputable company provides a comprehensive range of relocation services both within the UK and from overseas. RSS offer advice and assistance that includes:

- Household goods removal
- Educational consultancy
- Finding and securing suitable accommodation
- Pet transportation
- Pre-departure checklists to help plan the move
- Assistance with rental furniture
- Information about local amenities, services and points of interest
- Assistance with opening UK bank account
- Information about healthcare, education, driving and registering with the Police

New employees who have been offered a relocation allowance may decide whether to appoint RSS and pay for those services that attract a fee from their allowance. Employees who are not entitled to a relocation allowance are also able to benefit from the services offered and may appoint RSS as required and fund through personal expenditure. Please note some of the services offered may be deemed unallowable relocation expenditure, as referred to in section 6 above.

RSS have produced a guide [Intro to the UK](#) (Feb 2020) which also provides useful information about coming to join us living and work in the UK.

## 8. HM REVENUE & CUSTOMS

In some cases, the HMRC maximum entitlement to relocation expenses may be exceeded and when this occurs the excess amount will be reimbursed net of statutory deductions and will be reported to the HMRC at the year-end by Payroll Services.

PPC is responsible for maintaining accurate records to identify any amount exceeding the current taxation limit.

## 9. RESPONSIBILITY

All those persons referred to within the scope of this policy are required to adhere to its terms and conditions. Employees eligible for relocation should understand that this policy is also incorporated into their contract of employment.

Individual managers are responsible for ensuring that this policy is applied within their own area. Any queries on the application or interpretation of this policy must be discussed with PPC prior to any action being taken.

PPC is responsible for ensuring the maintenance, regular review and updating of this policy.

## 10. CURRENT ALLOWANCES

| <b>Relocation Allowance</b>     |                                     |
|---------------------------------|-------------------------------------|
| <b>Category of Case</b>         | <b>Maximum Allowance (inc. VAT)</b> |
| Grade 10 and above (outside UK) | up to £8,000                        |
| Grade 10 and above              | up to £6,000                        |
| Grade 7, 8 and 9 (outside UK)   | up to £3,000                        |

### **For Academic appointments only**

| <b>Relocation Allowance</b>     |                                     |
|---------------------------------|-------------------------------------|
| <b>Category of Case</b>         | <b>Maximum Allowance (inc. VAT)</b> |
| Grade 10 and above (outside UK) | up to £8,000                        |
| Grade 10 and above              | up to £6,000                        |
| Grade 7, 8 and 9 (outside UK)   | up to £6,000                        |
| Grade 7, 8 and 9 (inside UK)    | up to £3,000                        |

## 11. DISCRETIONAL RELOCATION

To support the attraction of high-quality employees to the University a discretionary relocation allowance may be approved where qualification falls outside of the current parameters. This may be to recruit to specific roles or subject areas where a wider recruitment area is required.

A business case with supporting financial rationale for the proposed allowance should be submitted to Head of Reward for approval. The expectation would be that discretionary relocation will be funded through local area budgets unless alternative funding is specifically agreed.