Relocation Compensation

NOTE: The website URL for Workday reference guides that are referenced in this section is: https://confluence.esg.wsu.edu/display/WKB/Workday

OVERVIEW
A WSU department or college may, within existing resources, authorize lump sum relocation compensation when it determines it is necessary to successfully recruit and retain a qualified candidate who will have to make a domiciliary move in order to accept the position. (A domicile is defined as a person's fixed, permanent, and principal home for legal purposes.) Relocation compensation may also be authorized when the move of an existing WSU employee to another WSU campus or location is in the best interest of the University. Any lump sum relocation compensation must be in compliance with this policy.

See also RCW 43.03.125.

The lump sum relocation compensation is intended to be used for all house-hunting, moving, and travel expenses associated with the employee's relocation. The employee should not expect additional payments or reimbursements related to their move.

Taxation
All expenses paid by employers for relocation of household goods are taxable income to employees, in accordance with federal law. (P.L. 115-97) Relocation compensation payments are included as compensation on employees' W-2 forms.

Expenses for relocation of laboratory and/or other professional equipment used directly in an employee's new position may be paid by the University without any taxable implications for the employee. (See BPPM 70.60.)

NOTE: The department may also choose to "gross up" and cover the taxes for the employee if desired. The offer letter must designate the net or gross up method.

Laboratory Moves
The University offers another program for supporting laboratory moves. See BPPM 70.60. In addition to lump sum relocation compensation, this program may be used to assist an employee who relocates to accept a WSU position.

Timing of Payment
As long as payroll deadlines are met, lump sum relocation payments are included with, but separately identified in, the employee's regular paycheck within the first month of employment. Payments are not made before the first date of employment.
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Source of Funding

See *BPPM* 70.03: Allowable Purchases (By Function) for functions that may support relocation compensation.

Sponsored accounts (FN017) may support relocation compensation if funding is specifically itemized in the approved budget.

Restrictions

Relocation payments in excess of 10 percent of the employee's first year annual salary must be approved in advance by the dean, chancellor, or appointing authority for faculty and academic appointees, or the appropriate vice president, chancellor, or appointing authority for staff.

If relocation compensation is funded by federal accounts, any amount that exceeds 10 percent must be covered by other nonfederal funds.

PROCEDURES

Relocation payments are processed through the Workday Create One-Time Payment business process. See the Workday Create One-Time Payment reference guide.

Request Form

The employing department processes a Relocation Compensation Request to request lump sum payment. The form is available in PDF format on the Procedures, Records, and Forms (PR&F) website at:

policies.wsu.edu/prf/index/forms/

The gross amount requested on the form must match the gross amount authorized in the offer letter, including whether this is a gross up or net relocation payment.

The completed Relocation Compensation form must be retained at the department and be available if needed for audit purposes.

Faculty

The department is responsible for creating and retaining additional documentation for faculty relocation compensation which includes the offering letter to a faculty candidate that mentions the relocation costs if the costs are a part of the offer. If applicable, the offering letter should also notify the candidate that expense compensation for relocation of household goods is taxable income.

See Official Offer in *BPPM* 60.11 for offer letter procedures and retention requirements.
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Authorization
A dean, chancellor, vice president, appointing authority, or equivalent administrator approves payment.

For civil service employee compensation, additional approval by Human Resource Services, in collaboration with the Office of the President, is required. (WAC 357-28-310)

Employees covered by a collective bargaining agreement are to refer to the applicable agreement. See the HRS website at:

hrs.wsu.edu/employees/labor-relations/collective-bargaining/

Recipient Signature
The recipient of the compensation signs the form indicating that they understand that a minimum employment period of one full appointment term must be served in order to avoid repayment.

REPAYING RELOCATION COMPENSATION
If a new employee terminates or causes termination with WSU before the first term of their appointment is completed (e.g., 9-month term; 12-month term), the University is entitled to reimbursement for household relocation compensation paid by the University. NOTE: Repayment is not required if termination is for reasons of layoff, disability separation, or other good cause as determined by the Associate Vice President and Chief Human Resource Officer.

The University may withhold the amount of the household relocation compensation paid by the University from any amounts due the employee. (RCW 43.03.120, SAAM 60.10.30(c))

To withhold relocation compensation from the final paycheck, the department routes a memorandum to the Director of Payroll Services, providing an explanation and requesting the deduction. Route this memorandum at least three weeks prior to the final pay date.