

OFFICE OF ACCOUNTS AND CONTROL

OAC-MOVING/RELOCATION EXPENSES

OFFICE OF ACCOUNTS & CONTROL

**MOVING/RELOCATION EXPENSES
POLICY A-59**

Division Contact:
Louise Sawtelle
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Effective 8/1/13

Revised 4/9/18

1. Purpose

This policy provides guidance to State agencies and employees regarding reimbursement to an employee for moving/relocation expenses related to accepting a State position.

2. Applicability

Reimbursement may be allowed for all or part of the moving/relocation expenses. The following conditions must apply for a reimbursement request to be considered by the State Controller's Office:

- a. The employee must have been appointed to a position for which the appointing authority has certified that such expenditure is necessary to recruit qualified persons needed by the State.
- b. The employee must be changing his/her place of residence for the purpose of accepting employment and the primary job location with the State must be more than 75 miles from the employee's former primary residence.
- c. The employee must be new to State employment or reinstating to State employment after a permanent separation.

3. Procedures for Compliance

Types of Reimbursable Expenditures:

Reasonable costs related to moving household and personal goods such as furniture, clothing, and personal effects will be reimbursed. Any items that require special handling and/or packing including, but not limited to, an animal, a boat, or antiques, are not considered as household or personal goods.

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Approval of Reimbursement:

All reimbursement requests regarding moving/relocation expenses shall be submitted to the State Controller's Office **in advance** for approval. The employee should not proceed until approval has been received. The request must include:

- a. Written approval by the department director or appointing authority which includes a certification that the conditions in items 2 a, b and c above have been met.
- b. Two written estimates from movers or a detailed estimate if the move is to be handled by the employee e.g. via a truck rental.

Payment of Moving/Relocation Expenses:

After the request has been approved by the State Controller's Office, the employee shall make all payments and then submit a request for reimbursement via the agency's business office. The employee must submit copies of invoices and proof of payment such as a credit card statement with such request.

Taxability of Reimbursement:

The Tax Cuts and Jobs Act of 2017 repealed the exclusion of qualified moving expense reimbursements from an employee's income for tax purposes. Beginning 1/1/2018, any payments issued to an employee for reimbursement of moving/relocation expenses must be included in the employee's reported taxable income in the same calendar year paid. By inclusion in the employee's taxable income, the employee will be responsible for any income or FICA taxes required to be paid on the reported amount.

4. Repercussions for Noncompliance

Repayment of Reimbursement:

If an employee whose moving/relocation expenses have been so paid does not continue his/her employment with the State of Rhode Island for a period of two years (unless the discontinuance of his/her employment was the result of death, prolonged illness, disability, or similar circumstances beyond the control of the employee as determined by the appointing authority), he/she shall repay the following percentage of the amount received as reimbursement for such travel and moving expenses:

100 percent if employed less than 6 months

State of Rhode Island
Department of Administration

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75 percent if employed 6 months but less than 12 months
50 percent if employed 12 months but less than 18 months
25 percent if employed 18 months but less than 2 years

5. Signatures:



State Controller

May 21, 2018

Date



Director of Administration

May 21, 2018

Date