

Employee Relocation Expense Reimbursement

Employees that have been offered Relocation Expense Reimbursement as part of their employment with DePaul University should follow the steps outlined below. In addition to being reviewed by the employee's managers, the relocation expenses will be reviewed for tax classification and submitted for payment by Payroll Services. Further details regarding the **Relocation Expenses** policy for full-time staff are available at <https://policies.depaul.edu>.

- 1) Refer to the offer letter for specific relocation expenses that will be reimbursed by the university
- 2) Complete the Relocation Expense Reimbursement form on the Financial Affairs website. http://financialaffairs.depaul.edu/payroll/moving_reimbursement.htm
 - a. Include a brief explanation describing the itinerary and relocation expenses being submitted
 - b. Enter expenses by category and purpose
 - c. Confirm that the new job is at least 50 miles from your old residence
 - d. Include receipts with the Relocation Expense Reimbursement form
 - i. Receipts must be original (not copies)
 - ii. If receipts are printed on small strips of paper, affix smaller receipts to an 8 ½ x 11 inch sheets of paper
- 3) Submit the completed Relocation Expense Reimbursement form and original receipts to the Hiring Manager
- 4) Hiring Manager and/or Budget Manager must review form, receipts, and offer letter before submitting approved forms to Payroll Services (or to Dean's Office, if faculty)
- 5) Payroll and Tax Services will review the expenses to determine if they are non-taxable or taxable
- 6) After review, Payroll Services will issue the reimbursement on the employee's next paycheck

As a result of the tax reform act passed by Congress in December 2017, beginning January 1, 2018, relocation expenses reimbursed by the university will be included as taxable income to the employee, regardless of when the expense was incurred. For example, a reimbursement of moving expenses incurred in December 2017, but reimbursed in January 2018, would be considered taxable income for 2018. **As such, all relocation expense reimbursements on or after January 1, 2018 will be included as taxable wages in the following boxes of the employee's form W-2 with appropriate taxes withheld from the reimbursement:**

- Box 1 – Wages, tips, other compensation
- Box 3 – Social security wages
- Box 5 – Medicare wages and tips
- Box 16 – State/local wages, tips, etc

The employee's federal and state W-4 information, such as marital status and number of dependents, determine the rate at which the individual's gross income is taxed on his or her paycheck.