

# The University of Wisconsin System Administrative Policy 240 (formerly F19)



## Title: Relocation (Household Moves) and Temporary or Indefinite Work Assignments

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**Original Issuance Date:** December 1985  
**Last Revision Date:** September 20, 2022  
**Effective Date:** January 1, 2023

### 1. Policy Purpose

The purpose of this policy is to define and establish systemwide requirements for the procurement and payment of employee household relocations and costs associated with temporary and indefinite work assignments.

### 2. Responsible UW System Officer

Senior Associate Vice President for Finance  
Associate Vice President for Human Resources

### 3. Scope and Institutional Responsibilities

This policy applies to all faculty and staff when relocation and related travel costs are funded in full or part by the University or when temporary or indefinite work assignments are made.

### 4. Background

It is the policy of the University of Wisconsin System to allow institutions to pay relocation stipends for new and presently employed personnel assigned to new locations by transfer or promotion, in accordance with IRS regulations. This policy also identifies when and how expenses related to temporary or indefinite work assignment away from the employee's [headquarter location](#) are reimbursable or directly paid.

### 5. Definitions

**Approving Authority:** Chancellor, Vice Chancellor, UW System President, Vice President, or delegated division dean or director who approves expenses for relocation or temporary work assignments.

**Authorization letter:** A letter that specifically outlines and approves university funding and amounts for relocation stipends.

**Employee:** Any individual who holds a faculty, academic staff, university staff, or limited appointment with any UW System institution.

**Headquarter location:** The official location where the employee's work is performed on a permanent basis. Typically, the campus or institution office.

**Relocation Stipend:** Lump-sum, tax-reportable payment to employee for relocation costs.

**Standard Stipend:** A lump sum of money established at the institution level, and issued at the discretion of the hiring authority, to cover the reasonable and necessary costs of moving the impacted employee or new hire, their immediate family, their furniture and personal effects as well as the related travel expenses associated with relocation, consistent with federal law, state law and university policies.

**Supplemental Stipend:** A lump sum of money, established at the institution level, and issued on an exception basis at the discretion of the Chancellor or President to supplement the standard relocation stipend in those circumstances when the relocation expenses of the impacted employee or new hire are subsequently determined to be unusually high and a failure to grant a supplemental stipend would create a hardship for the impacted employee or new hire.

**Tax Home:** The city or general vicinity where an employee's primary place of business or work is located, regardless of the location of the employee's residence. The tax home has an effect on the employee's tax deductions for business travel.

## **6. Policy Statement**

### **A. Relocation**

Relocation expenses for employees may be paid via stipend, dependent upon availability of university funding. The approving authority and the following policy provisions will determine the total amount provided for relocation.

#### **I. TAXABLE PAYMENTS/REIMBURSEMENTS**

In accordance with IRS regulations, effective January 1, 2018, the payment of any relocation costs under this policy is considered taxable income and subject to applicable income and employment taxes.

#### **II. ELIGIBILITY**

At the discretion of each UW System institution, relocation stipends may be authorized for new or presently employed personnel assigned to new locations by transfer or promotion. Relocation stipends or reimbursement is not authorized for employees appointed as University Staff Temporary (formerly limited term employees (LTEs)).

1. Payment of a relocation stipend is mandatory when the approving authority requires the employee to change residence location because the employee is ordered to relocate or is promoted to a different position within the UW System, and the approving authority determines that the relocation or promotion requires the employee to change residence.
2. Payment of a relocation stipend is on a permissive basis at the discretion of the new approving authority for an employee who requests a transfer or demotion and relocates as a result.
3. Payment of a relocation stipend is on a permissive basis, as recommended by the approving authority, for an employee reporting to his or her first place of employment within the UW System or reporting upon reemployment after leaving the UW System.
4. Payment of a relocation stipend may be allowed if the distance between the new place of employment and the old residence is at least 35 miles farther than the distance between the former place of employment and the former residence, and the distance between the new and former residence is at least 35 miles. If the approving authority determines that a relocation is a mandatory condition of employment, the minimum distance requirements are not applicable.
5. No more than two standard relocation stipends may be authorized to an employee in a calendar year.

6. Unless otherwise authorized by the approving authority, to be eligible for a relocation stipend, the employee must move no later than one year from the effective date of the appointment or the end of probation, whichever is later.
7. It should be determined whether it is in the best interest of the UW System to provide a standard and/or supplemental stipend. The following factors should be considered:
  - Are the individual's skills in critically short supply? If yes, is payment usually available from competing employers?
  - Is the labor market tight for this particular position?
  - Does the individual rank above all other candidates in a combination of training, experience, and personal qualities?
  - Will the best qualified individual for the position be unable to accept the institution's offer for financial reasons unless relocation expenses are paid?

### **III. REIMBURSEMENT OR PAYMENT OF RELOCATION COSTS**

The University may reimburse or pay relocation costs as noted below.

- The University may provide an employee a relocation stipend for costs associated with a relocation, whether using a commercial moving service or choosing to self-move. A relocation stipend is made through the University's reimbursement process not more than 30 days in advance of the employee's relocation date.

The advance payment of a relocation stipend does not require receipts (employees are advised to retain all receipts for personal tax filing purposes) but requires the authorization letter be attached to the stipend payment request.

### **IV. INSTITUTIONAL RESPONSIBILITY**

Prior to the move, the approving authority must authorize in writing the payment of an employee relocation stipend. Written approval is required prior to authorizing reimbursements to the employee.

When approving relocation expenses, the approving authority must review and approve the following information on an authorization letter or equivalent form using university letterhead:

- Name of relocating employee
- Reason for the move
- Position
- Specific amount of the standard relocation stipend and if the employee/ new hire is eligible for a supplemental stipend.

When approval for a relocation stipend is granted, the approving authority must provide the relocating employee a copy of the authorization letter or equivalent form. The authorization letter or equivalent form must be attached to any relocation-related payment request.

In the event that the institution determines that the relocation expenses of the impacted employee or new hire will be unusually high, and that a failure to grant a supplemental stipend would create a hardship for the impacted employee or new hire, a supplemental stipend may be granted to the impacted employee or new hire. The Chancellor or President of the institution must approve the award of any supplemental stipend.

## V. RESPONSIBILITY OF THE EMPLOYEE

Employees are responsible for completing the following tasks, as applicable, to be eligible for relocation stipend:

- Obtain the “Authorization Letter” from the hiring department. The letter outlines the amount of funding for the stipend(s). This documentation must be submitted to support the payment of a standard and/or supplemental stipend to the impacted employee or new hire.
- Work with the hiring department on the timing of the payment of the relocation stipend.
- Discuss the payment of a stipend for moving costs early with the hiring department. This stipend can be paid in advance of the move, but it is preferable to have the stipend paid along with the employee’s first payroll cycle. If the stipend is paid in advance of the employee’s start date, the employee agrees to pay back any stipend payments in the event the employee does not commence work at the UW System.
- The UW System has [contract commercial carriers](#) that employees may utilize for the move. Contracted commercial carriers serve local, domestic and international move needs. Employees that are relocating should contact the commercial carriers far in advance to obtain quotes and schedule a move date. The UW System is not a party to the contract between the employee and the contract commercial carrier.

## B. Temporary or Indefinite Work Assignments

Reimbursements of expenses for “temporary” assignments away from the tax home are generally not taxable to the employee as this is considered business travel. If the assignment is “indefinite,” the employee is considered to have moved his/her tax home to the new headquarter location.

Reimbursements of expenses for “indefinite” travel are taxable. [Rev. Rul. 93-86](#); [Rev. Rul. 99-7](#).

The Internal Revenue Service looks at all facts to determine whether the travel assignment was intended to be temporary or indefinite. ([Rev. Rul. 93-86](#); [Rev. Rul. 99-7](#)). The table below provides a brief summary of temporary and indefinite travel assignments. Examples provided within the IRS regulations can be found with the document titled [When “Temporary” Travel Assignments Become “Indefinite.”](#)

	Temporary	Indefinite
Duration (Note that an assignment changes from temporary to indefinite at the point at which the university knows that the assignment will exceed one year.)	Expected to last one year or less	Expected to last longer than one year
Tax Home	Permanent work site	New work assignment location
Meals and Lodging	Excludable from income	Taxable
Transportation Expenses – Mileage and Parking	Excludable from income	Taxable
Transportation Expenses – Commuting Mileage	Taxable	Taxable
Expenses related to events not located at the permanent work site or the new work assignment, such as conference travel	Subject to UWS Travel Policy	Subject to UWS Travel Policy

Approving authorities should contact their Human Resources Office to ensure appropriate approvals, accounting and tax related issues are addressed and in place prior to the starting date of the temporary assignment.

Institutions should account for each temporary assignment as a separate contract and use appropriate processing procedures (e.g., requisitions, billing).

UW System employees on assignment to another agency or institution may be eligible to receive supplemental compensation in lieu of reimbursement to employees for meals, lodging, and transportation expenses, which may be paid directly to the employee with required deductions made or transferred for payment to UW System.

Supplemental compensation for periods exceeding a one-year period will become taxable to the recipient at the time the university knows the agreement will exceed one year.

In the event that assignments change from temporary to indefinite, or indefinite to temporary, triggering a change in taxability to the employee, the institution's Office of Human Resources must work with the UW System Service Center to ensure proper coding and tax treatment.

## 7. Related Documents

[UW System Administrative Policy 324, Inter-Institutional Financial Transactions](#)

[UW System Administrative Policy 410, Purchase and Payment of Business Air Travel](#)

[UW System Administrative Policy 415, Purchase and Payment of Lodging](#)

[IRS Regulations – Publication 521, Moving Expenses](#)

## 8. Policy History

Revision 6:	September 20, 2022
Revision 5:	August 6, 2018
Revision 4:	December 10, 1998
Revision 3:	June 6, 1997
Revision 2:	March 3, 1997
Revision 1:	September 15, 1995
First Approved:	January 31, 1986

## 9. Scheduled Review

September 2027

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