



## Relocation policy for professorial and equivalent staff

### Contents

1. Purpose .....	1
2. Allowances.....	1
3. Eligibility.....	1
4. Repayment arrangements.....	2
5. What can be claimed.....	2
6. What cannot be claimed.....	2
7. Other information .....	3
8. Further advice .....	3

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### 1. Purpose

- 1.1. This policy underpins the University's goal of proactively attracting, recruiting and supporting high quality staff. It outlines how relocation assistance can be used to facilitate a move to the area and the eligibility for this assistance.

### 2. Allowances

- 2.1. The University will contribute towards relocation expenses for professorial and equivalent staff. Contributions towards relocation within the United Kingdom will be up to £15,000. Amounts for staff relocating from outside the United Kingdom will be negotiated at the time of appointment and will not normally exceed £30,000. Claims against this will be exempt from Tax and National Insurance (NI) contributions up to £8,000 as long as specific conditions are met (please see Eligibility section below). Claims over this amount and claims that do not meet the strict HM Revenue and Customs (HMRC) eligibility criteria will be subject to Tax and NI.
- 2.2. Any deviation from the amounts set out above will be at the sole discretion of the Vice-Chancellor.
- 2.3. Please note that there is only one relocation package per household. For example, if a husband and wife are both to be employed by the University and are moving from the same address, only one allowance will be available and only one partner can make a claim.

### 3. Eligibility

- 3.1. The reimbursement of removal and approved associated expenses is at the discretion of the University, having regard to the following conditions set out by HMRC:
- 3.1.1. The employee has to move home to take up the new job.

- 3.1.2. The employee's old home must not be within reasonable daily travelling distance of the new normal place of work.
- 3.1.3. The employee's new home must be within reasonable daily travelling distance of the new normal place of work.
- 3.2. The University interprets 'reasonable travelling distance' to be within a maximum of 35 miles or a travelling time of 1 hour of the employee's new normal place of work. The move should also be from a significant distance.
- 3.3. The University will require proof of ownership of the current home and details of the new home to confirm eligibility. The existing home does not have to be disposed of providing the home moved into becomes the sole or main residence. Under HMRC rules, if a member of staff lives in their new home during the week but returns to their old home and family at weekends, their old home is likely to remain their main residence and all amounts paid may be subject to Tax and NI.

#### **4. Repayment arrangements**

- 4.1. In the event that a staff member leaves the organisation within the first two years of appointment they will be liable to repay actual expenses claimed under this policy. The amount to be repaid will be reduced by 1/24 for each full month worked.

#### **5. What can be claimed**

- 5.1. Where a member of staff is eligible for relocation assistance, it will be confirmed in the offer of appointment letter. This will state the amount up to which reimbursement of allowable expenses may be claimed and summarise the restrictions on what is recoverable.
- 5.2. Reimbursement of reasonable expenditure may be claimed up to the agreed amount stated in the offer of appointment letter in accordance with HMRC rules for the exemption of Tax and NI liability for amounts up to £8,000. Examples of what can be claimed include:
  - the costs of disposing of your existing home, whether you own it or not;
  - the costs of acquiring a new home;
  - the costs of moving household furniture and effects;
  - travel and subsistence costs.
- 5.3. Reimbursement will only be made upon provision of relevant receipted invoices and in line with the University's financial procedures.

#### **6. What cannot be claimed**

- 6.1. Reimbursement will not be made for expenses which do not qualify for Tax and NI liability exemption, in accordance with HMRC rules including:
  - mortgage or housing subsidies if the employee moves to an area of higher housing cost;
  - interest payments for the mortgage on the employee's existing home;
  - re-direction of mail;
  - council tax bills;
  - purchase of new school uniforms for employee's children;

- compensation for losses such as:
  - having to give up a part-used season ticket
  - cost of joining a new sports or social club
  - penalty for giving insufficient notice of a child's withdrawal from school.

6.2. A comprehensive list of what can and cannot be claimed can be found at <https://www.gov.uk/expenses-and-benefits-relocation>.

## 7. Other information

7.1. Employees are expected to meet costs in the first instance and provide a paid invoice, a completion statement or receipts for all costs with the exception of mileage.

7.2. For Tax relief the expenses must be incurred, or the benefits provided, before the end of the Tax year following the one in which the employee starts their new job (a Tax year runs from 6 April to 5 April the following year).

7.2.1. Examples:	Start date of new job	Must use exemption by
	1st March 2010	5th April 2011 (i.e. 12 months)
	1st September 2010	5th April 2012 (i.e. 19 months)

7.3. If all of the exemption cannot be used before the end of the time limit, HMRC may consider an extension. It is the individual's responsibility to ensure they have written confirmation from HMRC of an extension.

7.4. Expenses are not payable where a member of staff elects to commute from an existing address for an indefinite period.

7.5. If, having received assistance with relocation expenses an employee decides not to move, or moves outside the travelling distances mentioned above, all amounts received will immediately become subject to Tax & NI.

7.6. Only £8,000 can be reimbursed free of Tax and NI. Any amount over £8,000 or any non-allowable expense reimbursed will be subject to Tax & NI and will be declared to HMRC at the end of the relevant tax year on form P11d.

## 8. Further advice

8.1. General advice regarding the University of Leeds relocation policy is available from:

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8.2. Detailed advice regarding HMRC compliance can be found at: <https://www.gov.uk/expenses-and-benefits-relocation>.