



Relocation Policy  
Human Resources Department

V2 July 22

## Document History

|                                              |                 |
|----------------------------------------------|-----------------|
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| <b>Role</b>                                  | Payroll Manager |
| <b>Owner</b>                                 | Payroll Manager |
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## Version History

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| 1              | April 2012  | V Kirfoot            |
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## Introduction

The University of Liverpool is a global university and recruiting the best people and working internationally is an intrinsic part of its operation and supports its strategic mission. As a consequence, some new colleagues need to relocate either within the UK (current UK residents) or relocate internationally.

The University will reimburse reasonable levels of expenditure to employees who need to relocate for business reasons to take up their appointment. This policy sets out the circumstances when it is appropriate for the University to pay for an employee's relocation and the parameters that would apply.

## Purpose of the Policy

The purpose of providing financial assistance with the cost of relocation is to ensure that national and international geographical mobility is not a barrier to the appointment of the very best candidates to employment opportunities within the University of Liverpool. This supports the University's aims of delivering high quality teaching, research and knowledge exchange.

## Aim of the Policy

In assisting with the cost of relocation it is the aim of the University to ensure that it remains competitive by attracting and retaining the highest calibre staff with the potential to support the strategic objectives of the institution. The relocation policy is designed to assist in alleviating some of the financial and practical challenges associated with relocation.

The policy aims to ensure that there is rigour and fairness in the way in which the reimbursement of relocation costs is practically implemented, and that reasonable costs are reimbursed in accordance with HMRC guidelines.

## HMRC Regulations

Reference is made throughout this policy to Her Majesty's Revenue and Customs (HMRC) regulations, specifically, in relation to relocation (see pages 7&8). These regulations set out the upper limit of what an employer can legally reimburse a person and which classification of elements of it can be paid without any personal income tax and National Insurance liability accruing.

This policy does not cover the relocation of staff from the UK to work abroad.

## Eligibility

The policy is normally applicable to staff joining the University in posts which meet the eligibility conditions below:

- Newly appointed members of staff who are required to locate within a reasonable distance of the University to meet the requirements of the post
- The post to which the employee is appointed must have been advertised nationally, this includes: University of Liverpool website, jobs.ac.uk, national media/journals
- The post must be for a period of more than three years
- The employee must change their main residence as a result of taking up the post at the University
- The employee's new residence must be within reasonable daily travelling distance (see page 8 for guidance) of the new place of work and the old residence must not be within reasonable daily travelling distance of the new place of work
- All eligibility criteria set by HMRC in relation to relocation expenses must be met
- The costs must be incurred within the time limits set by HMRC
- If two colleagues that reside in the same main residence are both appointed to roles and are relocating to take up these roles, then the University will only reimburse one set of costs.

## Conditions

In making a claim for relocation expenses a member of staff must: -

- Have accepted a written offer of employment with the University
- Must meet all the eligibility criteria set out on page 3
- Acknowledge and accept that, should they leave the employment of the University before the completion of two years' service, the University retains the right to reclaim all, or a portion of the payment made as follows:

| Time                           | % Repayment* |
|--------------------------------|--------------|
| less than 6 months             | 100% reclaim |
| Over 6 months up to 12 months  | 80% reclaim  |
| Over 12 months up to 18 months | 60% reclaim  |
| Over 18 months up to 24 months | 40% reclaim  |

\*The requirement to repay relocation expenses will be waived where a member of staff leaves before two years have expired following a change instigated by the University over which the individual has no direct control.

### Claimable Costs

HMRC allow any qualifying costs up to £8,000 to be reimbursed tax free. Any amounts that qualify to be reimbursed above this value will be subject to employee income tax and national insurance deductions.

It should be noted that the University does not reimburse all categories of expenditure that would qualify for tax relief under [HMRC relocation regulations](#). On condition that the eligibility criteria and conditions are met, the University will contribute to the following costs. The claimable costs are split into two sections and receipts must be provided for all costs.

### **SECTION 1**

This section is to claim the costs associated with the relocation from an employee's existing home to their new home. The following expenses can be claimed in full under this section.

#### **1.1 Removal of Normal Household Items and Personal Possessions**

- **Relocation within the UK** - Moving normal household items and personal possessions (via use of a removal company / using own transport/ hiring of transport).
- **Relocation from outside the UK** - Moving normal household items and personal possession (normally via surface freight)
- Insurance of domestic belongings during transit and in storage
- Moving ordinary domestic pets

#### **Please note**

- The relocation of household items does not include the removal of office items from a previous place of work to the University
- Only one household move can be claimed
- Employees need to provide 3 quotes for removal costs, they may select the company of their choice, however the University will only reimburse the value of the lowest quote.

## 1.2 Journey for Relocation

The appropriate travel cost can be claimed to relocate the new employee, their cohabiting partner and children under the age of sixteen (or who are in full time education at the time of the appointment) from their main home to their new home.

| Mode of travel   | Permissible costs                                                                                                                               |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Air Travel       | The cost at standard or economy class rate                                                                                                      |
| Car Travel       | Fuel costs for their own vehicle at the rate of 10 pence per mile.<br>OR<br>Car Hire and associated fuel costs at the rate of 10 pence per mile |
| Public Transport | The cost of standard rate travel including the cost of sleepers etc.                                                                            |
| Sea Travel       | The cost at standard or equivalent rate for a car ferry                                                                                         |

## 1.3 Storage

A maximum of 2 weeks storage can be claimed under section 1. Any storage above 2 weeks can be claimed under section 2.

## SECTION 2

This section is to claim the costs of the preliminary visit, fees associated with the house move to the main residence, purchasing domestic goods, rent of a temporary property and storage costs. **The maximum costs claimable under this section are limited to the equivalent of one month's gross salary at the date the employee was appointed to their post.**

The following can be claimed under this section:-

### 2.1. Preliminary visit

The following costs in relation to the preliminary visit to Liverpool, to look for a house/schools can be claimed for the employee and their immediate family.

- Flights and public transport costs at economy rate only
- Car hire and associated fuel costs
- Fuel costs for your own vehicle from your home to Liverpool.
- Should you be travelling a significant distance, which necessitates an overnight stay, the University will cover the cost of moderately priced hotel accommodation.

### 2.2. Fees associated with disposing of employee's old home and obtaining their new home

- Professional fees in association with the buying of the home you are relocating to
- Solicitors' fees in respect of the sale and purchase
- Search, survey and property enquiry fees
- Estate agents' buying and selling fees, including the cost of advertisement
- Valuation fees
- Land registry fees
- Stamp Duty
- Disconnecting gas, electricity, water and broadband supplies
- Connection fees for gas, electricity, water and telephone supplies

### 2.3. Domestic Goods

Replacement of domestic goods such as carpets, curtains and cookers etc., because the goods used in the old home are unsuitable for installation in the new home, less any amount received for the old goods.

## 2.4 Rent of Temporary Property

The cost of up to 6 months rent for temporary accommodation whilst trying to find a main place of residence can be claimed.

## 2.5 Storage Costs

The cost of storage of belongings for up to 6 months whilst looking for a permanent place to buy can be claimed. Please note that the first two weeks of storage costs are able to be claimed under section 1 of the claim.

## Visa and NHS Surcharge Costs

Visa and NHS surcharge costs are not eligible to reclaim under the relocation policy. Eligibility to reclaim these are covered under a separate [policy](#).

## Time Limits to claim

Employees must submit their relocation claim for payment to the Payroll Team, in accordance with HMRC regulations on time limits, which are detailed below.

In accordance with HMRC regulations, the relocation costs must be incurred, or the relocation benefits provided, before the end of the PAYE year following the one in which the employee takes up the post at the university. (The PAYE year runs from 6<sup>th</sup> April to 5<sup>th</sup> April).

**Example 1:** The start date of the post at the University was 1<sup>st</sup> May 2021 which falls in the PAYE year 2021/2022, which ends on the 5<sup>th</sup> April 2022. The **time limit** within which costs must be incurred or the benefits provided is by the end of the following tax year 2022/2023, which ends 5<sup>th</sup> April 2023. The period in which the claim can be made is 1<sup>st</sup> May 2021 to 5<sup>th</sup> April 2023 (23 months).

**Example 2:** The start date of the post at the University was 1<sup>st</sup> March 2021 which falls in the PAYE year 2020/2021, which ends on the 5<sup>th</sup> April 2021. The **time limit** within which costs must be incurred or the benefits provided is by the end of the following tax year 2021/2022, which ends on 5 April 2022. The period in which the claim can be made is 1<sup>st</sup> March 2021 to 5<sup>th</sup> April 2022 (13 months).

The contractual start date of the post at the University determines the length of time that an employee has to find a new home and qualify for tax relief on the reimbursement costs associated with relocating to that new home. If an employee believes it is unlikely that the purchase of a new home and relocation to it will take place within the time period available, (based on the start date of their contract,) they should contact the Payroll Team for further advice.

## Extension of time limit

In certain limited circumstances, such as school age children taking exams or difficulty in selling the former residence, HMRC may consider a request to extend the time limit. If an employee believes their circumstances support seeking an extension to the time limit they must contact [payroll@liverpool.ac.uk](mailto:payroll@liverpool.ac.uk) as soon as possible, who will approach HMRC on their behalf. If HMRC decline the extension or there is no justifiable reason for HMRC to extend the deadline, the University may agree to allow the employee to reclaim the relocation costs up to a maximum of 2.5 years after the employees start date. If this is agreed, the reimbursement will be subject to deduction of employee income tax and national insurance. It is therefore always advisable to claim within the HMRC deadlines.

## Submission of Relocation Claim

Before submitting a claim, employees should check they meet the eligibility criteria, if they are unsure if they meet the criteria they should contact the Payroll Team via email address [payroll@liv.ac.uk](mailto:payroll@liv.ac.uk) and they will advise accordingly.

If the criteria is met the claim should be submitted as follows:-

- Ensure all items being claimed are in accordance with HMRC conditions for tax relief on relocation expenses, in accordance with the terms of this policy and within the HMRC time limits (see pages 7-10 for further guidance)
- Complete the form on pages 11 & 13.
- Attach three quotes for removal expenses
- Attach copies of original receipts for all items being claimed
- Claim must be signed by the employee and manager
- Claim, along with accompanying documentation should be submitted via email address [payroll@liv.ac.uk](mailto:payroll@liv.ac.uk), with the subject header 'Relocation Claim'.

Should an employee's circumstances change during the relocation process they must inform the Payroll Team via email address [payroll@liverpool.ac.uk](mailto:payroll@liverpool.ac.uk) at the earliest opportunity so they can advise the employee of any potential impact upon their claim.

Once payroll have approved the claim it will be paid in the next available payroll run. **Please note claims can not be paid prior to an employee commencing employment with the University.**

## HMRC Conditions for Tax Relief on Relocation Expenses

The University's policy is in line with that of HMRC and the type of costs the University will reimburse are in accordance with HMRC definitions of relocation qualifying costs. The costs the University reimburse are detailed on pages 10 & 11 of this policy. If there is any doubt whether an expense would be reimbursed under the University policy or whether an expense qualifies for tax relief, employees should contact the Payroll Team via email address [payroll@liverpool.ac.uk](mailto:payroll@liverpool.ac.uk)

In accordance with HMRC's relocation regulations, Tax and National Insurance contributions (NIC) relief is available up to a maximum of £8,000 against the reimbursement of qualifying relocation costs, incurred by an employee who is required to change residence as a result of starting a new job or as a result of a transfer within an employer's organisation.

To qualify for the tax relief, the removal expenses and benefits must fall within specific categories of expenses and benefits and the change of residence must satisfy a number of conditions. The most important condition is that the employee must change his or her only or main residence as a result of:-

- Starting a new employment
- A change of the duties of the employment, or
- Changing the place where the duties are performed

It isn't necessary for the employee to dispose of the old residence in order to qualify for relief, but there must be a change of his or her main residence. However, if relocation is cancelled and the employee doesn't in fact change the main residence, any expenses reimbursed or benefits provided in connection with the cancelled relocation will be taxable.

The new residence must be within reasonable daily travelling distance of the new normal place of work. The old residence must not be within reasonable daily travelling distance of the new normal place of work.

If the total qualifying costs actually incurred by the employee (as defined by HMRC rules) is less than £8,000 the tax relief is restricted to this lower amount. Any qualifying costs reimbursed above £8,000 will be subject to Income Tax and National Insurance through the payroll.

### **Reasonable daily travelling distance**

HMRC regulations state that the new residence must be within '*reasonable daily travelling distance*' of the new normal place of work, the University, and the old residence must not be within reasonable daily travelling distance of the new normal place of work at the University. '*Reasonable daily travelling distance*' is not defined in the legislation.

HMRC will take a pragmatic approach and take account of local conditions and what is in practice convenient for the place of work. The usual time taken to travel a given distance is an indication whether that distance is reasonable. The University will not contribute to the costs of an employee relocating to a home that is not convenient for travel to the place of work within normal commuting hours. As a guide this is not expected to be more than an hour.



## RELOCATION CLAIM FORM (v2 July 22)

Prior to completing this form please check the items being claimed are in accordance with the terms of the policy. All items claimable must be accompanied by receipts, any un-receipted costs will not be paid

|            |  |              |  |
|------------|--|--------------|--|
| Name       |  | Start Date   |  |
| Department |  | Staff Number |  |

|             |  |
|-------------|--|
| New Address |  |
|-------------|--|

|                  |  |
|------------------|--|
| Previous Address |  |
|------------------|--|

### SECTION 1

This section is to claim the costs associated with your relocation from your existing home to your new home

| IDENTIFIED COSTS ASSOCIATED WITH RELOCATION TO NEW HOME                                | AMOUNT CLAIMED | AMOUNT PAID (Payroll use only) | AGRESSO CODE (payroll use only) |
|----------------------------------------------------------------------------------------|----------------|--------------------------------|---------------------------------|
| <b>1.1 - REMOVAL OF NORMAL HOUSEHOLD ITEMS AND PERSONAL ITEMS</b> (lowest of 3 quotes) |                |                                |                                 |
| <b>1.2 - JOURNEY FOR RELOCATION</b>                                                    |                |                                |                                 |
| <b>1.3 - STORAGE</b><br>(Maximum 2 weeks)                                              |                |                                |                                 |
| <b>TOTAL - SECTION 1</b>                                                               |                |                                |                                 |

### SECTION 2

This section is to claim the costs of the preliminary visit, fees associated with the house move to the main residence, purchasing domestic goods, rent of a temporary property and storage costs. **The maximum costs claimable under this section are limited to the equivalent of one month's gross salary at the date you were appointed to your post.**

| IDENTIFIED COSTS ASSOCIATED WITH MOVE                                                                                                                                                                                                          | AMOUNT CLAIMED | AMOUNT PAID (Payroll use only) | AGRESSO CODE (Payroll use only) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------|---------------------------------|
| <b>2.1 - PRELIMINARY VISIT</b><br>(a). Travelling Expenses<br>(b). Overnight Accommodation                                                                                                                                                     |                |                                |                                 |
| <b>2.2 - FEES ASSOCIATED WITH HOUSE MOVE</b><br>(a). Legal Fees<br>(b). Search, Survey & Property Enquiry fees<br>(c). Estate Agent Fees<br>(d). Valuation Fees<br>(e). Land Registry Fees<br>(f). Stamp Duty<br>(g). Disconnecting/Connection |                |                                |                                 |

|                                                                                  |  |  |  |
|----------------------------------------------------------------------------------|--|--|--|
| <b>2.3 DOMESTIC GOODS</b> (white goods or furniture that could not be relocated) |  |  |  |
| <b>2.4 - RENT OF TEMPORARY PROPERTY</b><br>(Maximum 6 months)                    |  |  |  |
| <b>2.5 - STORAGE COSTS</b> (Max 6 months)                                        |  |  |  |
| <b>TOTAL - SECTION 2</b>                                                         |  |  |  |
| <b>GRAND TOTAL - SECTION 1 &amp; SECTION 2</b>                                   |  |  |  |

|                                                                                                                                                                                                                                                                                                                                                                 |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| I confirm that I am claiming in accordance with the University Relocation Policy. I understand that should I leave the University's employment within two years of my start date, the University retains the right to recover from me, all or part of the monies received in respect of relocation and associated expenses, as stated in the relocation policy. |  |
| Employee Signature                                                                                                                                                                                                                                                                                                                                              |  |
| Date                                                                                                                                                                                                                                                                                                                                                            |  |

|                                                                                                                                                                     |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| I confirm that the employee has relocated to work for the University of Liverpool and is submitting this claim in accordance with the University relocation policy. |  |
| Line Manager Signature                                                                                                                                              |  |
| Print Name                                                                                                                                                          |  |
| Position                                                                                                                                                            |  |
| Date                                                                                                                                                                |  |

|            |                             |                           |
|------------|-----------------------------|---------------------------|
|            | Payroll Team – Processed By | Payroll Team – Checked By |
| Print Name |                             |                           |
| Position   |                             |                           |
| Date       |                             |                           |

**Please email the completed and signed claim form, along with copies of original receipts to [payroll@liverpool.ac.uk](mailto:payroll@liverpool.ac.uk) within the HMRC time limits, set out in page 6 of the Relocation Policy.**