

## **University of Southampton Relocation Scheme International Moves**

### **1. Introduction**

The University wants you to settle in to your new role here, to become an active member of the University community as soon as possible and to enjoy life in your new surroundings. The relocation scheme intends to make sure the transition is as easy and smooth as possible, wherever from overseas you are moving from.

The information below explains clearly the Relocation Assistance Scheme if you are moving from outside the UK to Southampton. If however, you need more assistance, please contact your Recruitment Administration Officer in Human Resources ([recruitment@southampton.ac.uk](mailto:recruitment@southampton.ac.uk)).

### **2. Key Principles of the Scheme**

- 2.1 The scheme is entirely discretionary and there is no automatic entitlement to any amount of relocation expenses.
- 2.2 Relocation expenses will only be paid if they have been offered at interview, and confirmed in the offer letter and in the letter of appointment.
- 2.3 The amount of assistance awarded to you via the relocation allowance will depend on a number of factors, including your post and your circumstances, and will not exceed £12,000 of which up to £4,000 will be subject to tax/NI.
- 2.4 Any amounts paid under the scheme are subject to Inland Revenue rules and these will be applied to ensure the University meets its obligations. The amounts paid out under the scheme will be declared under the P11D procedure at the end of the tax year (April) if they become subject to tax. (There may be tax-free elements which you claim for in your allowance, and other elements which attract tax and National Insurance contributions. In any case, there is an upper limit of £8,000 for the tax-free allowance).
- 2.5 The relocation must take place and the relevant expenses claimed within one year of the start date of the appointment and in any case,

no later than the end of the tax year following the date of commencement of employment.

- 2.6 All claims must be supported by the submission of original receipts.
- 2.7 The University is seeking to meet your costs in relocating your home and not to pay for settlement, so will not assist you in buying a house for the first time.
- 2.8 You must relocate your main residence to within daily travelling distance of your place of work for you to claim relocation expenses under the tax free elements of the scheme. (Within 50 miles by AA.com travel planner).

### 3. **Scope of the Scheme - Who it covers**

- 3.1 If the University makes a verbal offer of employment which includes a relocation assistance allowance, this will normally be clearly stated as part of your offer of employment, and confirmed in your offer letter.
- 3.2 This scheme applies to people moving from another country outside of the UK (including Eire) - i.e. **not** from England, Scotland, Northern Ireland, Wales and Channel Islands – to Southampton.
- 3.3 The scheme may be applied to people appointed to posts at level four and above in any career pathway.
- 3.4 The scheme applies to new staff taking up appointments to permanent or fixed term posts of 3 or more years' duration, which have been advertised nationally.
- 3.5 The new home which must be your main residence, must be located within 50 miles (as per the AA.com travel planner) of the work location at the University unless there are special circumstances agreed with the Recruitment Adviser. (Exceptions to this will, for example, be clinical posts based at Southampton General Hospital where the new employee must be based within 30 minutes travelling time of their work location).
- 3.6 You must not also be claiming relocation expenses through a spouse or partner for the same move.
- 3.7 **Temporary staff** - The University will consider a pro-rated reimbursement of removal expenses for staff taking up temporary appointments of less than three years subject to the discretion of the Dean/Head of Budgetary Group. This payment may be subject to tax and National Insurance contributions.

## 4 **Homeowners - What the Allowance can cover**

### 4.1 **Tax Free Items** which can be claimed for under the Scheme: (This is not an exhaustive list but will be a useful guide)

- Removal of goods, furniture, office goods and papers
- Insurance costs of the removal
- One journey prior to joining (over and above journeys for interview purposes) for house hunting purposes with spouse or partner
- Temporary accommodation e.g. guest house B&B or hotel prior to joining e.g. for house hunting purposes (temporary contractual lettings and deposits for these will not normally be considered in the tax free element)
- Estate agents fees for selling a property
- Solicitors fees on the selling and purchase of properties
- Stamp Duty
- Storage of goods provided that it is temporary i.e. less than one week
- Fixtures and fittings where it is reasonable to assume that the previous accommodations fixtures will not fit or could not be moved e.g. carpets, curtains, light fittings

Charges relating to the use of a relocation company are an acceptable cost, but will be offset against the HMRC tax free allowance

Other items may be claimed under the allowance, but they would need to be declared to HMRC and the allowance would attract tax and NI. See section 5 below. If you incur expenditure over the stated limits, you will have to pay the difference. Any expenditure claimed must be essential to your move.

### 4.2 **Items which will attract Tax and NI contributions:**

- Furniture and other household items (except carpets etc. as above)
- Longer term contractual temporary accommodation i.e. normally over three month contract
- Deposits for contractual temporary accommodation
- Long term storage for goods and furniture i.e. over a week

There may be exceptions in some cases to the above so please contact your Recruitment Adviser if you believe you have a special case.

## **5 Moving from/to Rented Accommodation**

The same principles apply as in sections 2 and 3 above. In addition, staff moving into rented accommodation can claim a maximum reimbursement of £1,000 in terms of relocation assistance allowance subject to the following conditions.

- 5.1 For staff moving from rented accommodation into permanent rented accommodation (i.e. not under a short assured tenancy agreement), reimbursement of up to £1,000 may be claimed in connection with removal expenses (including insurance) incurred in the move from old to new accommodation. If you move yourself, the vehicle hire charge, insurance and fuel costs will be reimbursed.
- 5.2 For staff moving to temporary rental accommodation (i.e. under a short assured tenancy agreement who are unable to buy a home or move to permanent rented accommodation and who have to keep their present home (main residence) without receiving rental income) reimbursement of up to £40 per week for up to 25 weeks may be claimed against the £1000 total tax free.
- 5.3 Any monies claimed under 5.2 above will be on the understanding that it is the intention of the employee to relocate on a permanent basis. If relocation does not take place then the money will become liable for tax/NI.
- 5.4 For reimbursements in relation to a move in to rental accommodation, any further reimbursements claimed will be on the basis of other costs related to the move i.e. removal of goods (no more may be claimed on rental over and above the £1000 as given above) up to the maximum of their allowance.

## **6 How to Claim your Relocation Assistance Allowance**

*Note the following process applies to staff who make their own arrangements for relocation and does not apply to staff who use the University's relocation partner. Those staff should contact the relocation partner directly if they have questions about the process.*

- 6.1 Employees should submit any expenses they wish to claim against their allowance on the [Relocation Assistance Allowance Form](#).

- 6.2 The form should be completed as far as possible, all original receipts must be attached, VAT should be included in the totals, and the form should be sent to the Expenses team in Finance.
- 6.4 Normally, only expenses incurred after the offer of employment will be reimbursed.
- 6.5 It is the responsibility of the individual to be aware of their total costs and to make sure that they are within their allowance. Any amounts claimed for above the allowance limit will not be reimbursed, or will only be reimbursed in part, up to the limit.
- 6.6 Employees should make claims honestly and in good faith. Any attempt to defraud the University under this scheme will be treated as a serious disciplinary offence which may lead to dismissal.
- 6.7 In all cases, reference should be made to Section 6 of the expenses and benefits procedure manual available from the Finance Department for a full description of terms and conditions.

## **7 The Process – How it Works**

<b>Step</b>	<b>Activity</b>	<b>Responsibility</b>
1	Position is offered after interview; successful candidate is offered relocation assistance and told the amount.	Line manager
2	The relocation amount is confirmed in the offer letter; the relocation scheme and relocation agreement form are sent to the successful candidate with the offer letter. The successful candidate needs to sign and return the relocation agreement form before their contract can be issued.	Recruitment
3	The new employee either makes their own arrangements OR will be contacted by the University's relocation partner following authorisation from the Recruitment team, (and does not go through steps 5 or 6)	New employee Recruitment
4	The new employee submits any expenses incurred to the Expenses team by completing the relocation expenses form and attaching original receipts. The form must be approved by the budget holder (and Faculty Finance if the claim exceeds £2000) before being submitted to the Expenses team. Claims must include VAT.	New employee

5	The Expenses team receives the expenses claims and process the claims where they fall within these guidelines and the University's financial regulations.	Expenses team
6	If the new employee leaves within 3 years of the receipt of payments, they will be liable to repay some or all of the amount they have been reimbursed, depending on how long they work for before they leave (see 8.1 below).	
7	At the end of the tax year, a P11 D is produced by Finance – this document will state any allowance that was paid in respect of relocation, without the deduction of Income Tax or National Insurance contributions that exceeds the HMRC limit of £8000. This form is sent to the employee (used in the completion of their tax return) and to HMRC. The employee will be liable to pay any Income Tax due on the reported amount.	Payroll

## **8 Termination of employment**

8.1 If you subsequently leave the service of the University within three years of starting employment you will be required to repay the relocation reimbursement on the following basis:

Up to one year from date of start of employment:	100% repayment
More than one year but less than three years from start of employment:	50% repayment
More than 3 years from start of employment:	No repayment

8.2 The Dean/Head of Budgetary Group may, in exceptional circumstances, waive re-payment.

8.3 Employees who are dismissed from the service of the University within three years of starting employment for reasons of redundancy will not be required to repay reimbursements.

8.4 Employees who are dismissed from the service of the University within three years of starting employment for reasons of misconduct will be required to repay reimbursements in accordance with the re-payment scale above.

8.5 Where reimbursement of the allowance or part of the allowance is due, the employee will consent to have any monies due under the scheme deducted from their salary, as set out above. If there are insufficient funds to pay then the University's debt management policy will be followed.

## 9 Version Control

Version	2.0
Last updated:	04 July 2019
Changes:	Corrected process description in section 6 and 7 to reflect current process
Areas consulted:	Expenses Team (Finance), Employee Relations (HR) and Reward and Recognition (HR)
Changes made by:	Sam Quin - Ask HR Manager