

# RELOCATION GUIDE 2009

Office of Human Resources

Dear Colleague,

Congratulations, we are pleased that you have accepted a position with the College!

On behalf of the Office of Human Resources I would like to welcome you to Chicago and the Columbia College Chicago community. We understand that moving to a new city, into a new home, and starting a new job can be overwhelming but my team and I are here to assist you with this transition so that it is as smooth as possible.

Relocating can be very costly and because the College is committed to attracting and retaining the best faculty from across the country, and around the world, we offer relocation assistance to new faculty.

The College adheres to the Internal Revenue Service moving expense guidelines. While our Relocation Guide contains highlights of the IRS information the regulations are too numerous to include so I encourage you to carefully review Publication 521 – Moving Expenses before making any decisions regarding your move. This will ensure that you know what moving expenses can be claimed as a deduction against your income taxes and which ones do not qualify.

I have included the names and contact information of various colleagues that can provide you with useful information as you settle in.

Again, welcome, and please do not hesitate to contact me with questions or concerns.

Best,

*Ronda Majeran*

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## Relocation Assistance

Columbia College Chicago adheres to the Internal Revenue Service moving expense guidelines. You are encouraged to review Publication 521 – Moving Expenses before proceeding with your move so you know what to expect. There are many important regulations that you need to be aware of so that you qualify to can claim moving expenses as a deduction against your income taxes.

Relocation assistance may be provided to: faculty who are hired as tenured or tenure track, staff with the titles of: Director, Executive Director, Assistant and Associate Vice President, Vice President. Lecturers in a five-year renewable position hired for at least a 3-year initial appointment are eligible for limited relocation assistance. Relocation is not available for visiting artists, lecturers, or faculty who are employed as one-year replacements.

The College will reimburse a new hire, and spouse/domestic partner, for one house hunting trip including a two night stay at Club Quarters. Meals will be reimbursed up to \$65 per meal for up to three meals per day for the new hire only.

The College will provide relocation assistance up to a maximum of \$8,000 for faculty that move from his or her home if it is more than 50 miles away from Columbia College Chicago. New hires have up to 12 months from the date of hire to relocate and submit receipts for reimbursement, however, expenses submitted for reimbursement 60 days after being incurred are taxable according to the IRS guidelines.

If a new hire's spouse or domestic partner is hired by the College, then the College will provide relocation assistance of up to \$9,000 per household, not individual. If the spouse or domestic partner resides in a separate household, each new hire is eligible for relocation assistance of up to \$8,000.

You will be reimbursed the amount you are due when you submit original receipts for the qualifying expenses you incur. The College does not provide relocation advances. You are welcome to select the moving options of your choice as long as you do not exceed the total moving allowance. Should you exceed this amount you will be responsible for the difference.

## Reasonable Expenses

You can deduct only those expenses that are reasonable for the circumstances of your move. For example, the cost of traveling from your former home to your new one should be the shortest, most direct route available by conventional transportation. If during your trip to your new home, you stop over, or make side trips for sightseeing, the additional expenses for your stopover or side trips are not reimbursable moving expenses.

## Who Can Deduct Moving Expenses

You are eligible, according the IRS, for relocation assistance if you meet all of the following criteria:

- **Your move must be closely related in time** – your moving expenses must be incurred within 1 year from your date of hire

- **You meet the distance test** – your new main job location is at least 50 miles farther from your former home than your old main job location was from your former home.
- **You met the time test** - you must work full-time for at least 39 weeks during the first 12 months after you arrive in the general area of your new job location.

**IMPORTANT** - If you choose to leave the College's employ within your first year of employment you will be required to refund the College the full amount that you were given for your relocation.

## Deductible Moving Expenses

The IRS has defined qualified moving expenses as expenses incurred within one year from the date you first report to work such as:

- Cost of packing, crating, and transporting your household goods and personal effects from your former home to your new home
- Cost of connecting or disconnecting utilities required because you are moving your household good, appliances, or personal effects
- Cost of shipping your car and your household pets to your new home
- Cost of moving your household goods and personal effects from a place other than your former home but the deduction is limited to the amount it would have cost to move them from your former home
- Cost of travel by the shortest, most direct route available by conventional transportation
- Cost of transportation and lodging for yourself and members of your household while traveling from your home to your new home, including expenses for the day you arrive
- Cost of storing and insuring household goods and personal effects within any period of 30 consecutive days after the day your things are moved from your former home and before they are delivered to your new home
- Mileage reimbursed at the current rate established by the IRS, parking fees, and tolls

## Nondeductible Expenses

You cannot deduct the following items as moving expenses:

- Any part of the purchase price of your new home
- General repairs, maintenance, insurance or depreciation of your car
- Car tags
- Driver's license
- The cost of moving furniture you buy on the way to your new home
- Expenses for meals
- Expenses of buying or selling a home (including closing costs, mortgage fees, and points)
- Expenses of entering into or breaking a lease
- Home improvements to help see your home
- Loss on the sale of your home
- Losses from disposing of memberships in clubs
- Mortgage penalties

- Pre-move house hunting expenses
- Real estate taxes
- Refitting of carpet and draperies
- Return trips to your former residence
- Security deposits (including any given up due to the move)
- Storage charges except those incurred in transit and for foreign moves
- Mileage reimbursement in excess of the current rate established by the IRS

## Direct Payment

Arrangements to contract with a moving company must be discussed with the Recruitment Manager first to ensure cost efficient service. The Recruitment Manager may require multiple bids from moving contractors to obtain a competitive price.

The College will direct pay a moving company the cost of packing and moving your household goods. The College has partnered with Mayflower Moving Company but you are welcome to use the moving contractor of your choice as long the cost does not exceed that of the College's preferred provider.

## Reimbursement Procedures

It is very important that you maintain an accurate record of expenses you paid to move. You should save items such as detailed receipts, bills, credit card statements, and mileage logs.

To claim reimbursement for relocation expenses you must complete a **Moving Expense Reimbursement Request Form** and attach original receipts and any necessary documentation to justify the expense. This form is included in your relocation packet.

The form and documentation will be reviewed by the Recruitment Manager to make sure that the expenses qualify for reimbursement and then forwarded to the Controller's Office for processing. Again, keep in mind that if you submit the Moving Expense Reimbursement Request Form and supporting documentation after 60 days of incurring the expense(s) your reimbursement will be taxable.

## Reimbursement Plans and Tax Withholding

Reimbursements are taxed based on whether it follows an accountable reimbursement plan (non-taxable) or a non-accountable reimbursement plan (taxable). For your reimbursement to qualify as an accountable plan the following guidelines must be met:

- Your expenses must be business related – moving your possessions from your former home to your new home and travel from your former home to your new home
- You adequately account your expenses to your employer within a reasonable period of time
- You must return any excess reimbursement or allowance within a reasonable period of time

If you meet these guidelines, the College will include reimbursements on your W2 form in box 12. Van-line charges to move to a new location, lodging for your final trip to the new location, and

transportation expenses for your final trip to your new location are examples of these expenses. If you do not meet these guidelines, then your move will be considered non-accountable plan and will be treated as taxable. The amount will be entered in the income section of box 1 of your W2 form, Wage and Tax Statement.

### Useful Contacts & Information

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IRS Publication 521 – Moving Expenses

[www.irs.gov](http://www.irs.gov)

*The information included in the Relocation Guide is intended as guidelines for your consideration and are not to be construed as tax advice. In the case of any discrepancies between these guidelines and any IRS rule or publication, you should rely only on the IRS rules and publications.*