



August 9, 2018

Chief Business Officers and Hiring Managers:

Emory Business Services, together with Business Practice Improvement, is launching a new program to assist schools and units with relocation of newly hired faculty and staff. This new relocation assistance program will provide enhanced customer service for you and your new hires, with a goal of providing a seamless relocation experience for new employees. Jim Klein, Director of Business Services, will lead the relocation initiatives at Emory.

### **What's Next:**

In the coming weeks, you will receive more information about the relocation allowance process and vendor partnership details. We appreciate your time, consideration, and support as we transform the relocation experience at Emory.

### **What's Coming: Relocation Management Services**

Emory is currently exploring options for potential external partnerships that may include online relocation resources as well as full service moving providers. Benefits of these potential partnerships result in expediting the relocation process while managing costs for schools and units. Such services can provide a high-touch, end-to-end experience that creates a smooth transition to Emory should schools and units choose to offer relocation assistance to employees. More details will be coming soon.

### **What You Need to Know Now:**

Tax Changes: Effective January 1, 2018 (via the Tax Cuts and Jobs Act), employee relocation costs paid by an employer are considered a taxable benefit to the employee. Schools and units must consider this new regulation when providing relocation assistance.

New Process for Relocation Payment: Beginning in the fall of 2018, relocation-related costs covered by Emory for faculty or staff will be issued as a supplemental wage payment (lump sum) to the employee. Preferably the payment will be made in advance of the employee's date of hire. Adding the capability of providing relocation in advance of start date will help offset relocation expenses for the individual, and will be perceived as an added benefit to joining Emory.

How this will work:

1. Schools and units will determine an appropriate relocation support amount to provide the employee. Please note that a new tool is forthcoming to assist with relocation cost estimates. Relocation expenses are now taxable income to the inbound employee. The financial impact to the recipient needs to be considered. Emory recommends that schools and units consider an additional supplement to the employee to assist with this impact as part of the relocation package.
2. Official offer letters to the employee must specify the total amount of relocation funds awarded.



3. Schools and units will notify Payroll and Relocation Services of the intended relocation support.
4. Relocation Supplemental Wage Payments (lump sum) will be fringe rate free to schools and units and should only be used for relocation related expenses.
5. Effective October 1, 2018 Relocation Supplemental Wage Payments will be processed via two different earnings codes and taxed at the time of payment. The earnings codes are as follows:
  - RBN: used for payments made no more than 30 days *in advance* of the employee's date of hire (preferred)
  - RLB: for payments made *after* the employee's date of hire.
6. These fringe rate free payments will be reviewed by Jim Klein prior to processing and be checked periodically by Internal Audit.

### What's Changed:

Effective October 1, 2018 schools, units, or employees can no longer initiate payments for moving expenses via purchase orders, corporate card or p-card charges, or employee expense reimbursements through Compass or Accounts Payable.

### What About 2018 Relocations to date:

BPI and Business Services are currently working with Payroll and AP to gather data on relocation related expenses processed for employees in 2018 to ensure tax compliance. In August 2018, individual schools and units will be contacted regarding relocation-related transactions that were submitted from January 1, 2018 to July 31, 2018 and have not yet been taxed. Applicable Relocation Expenses processed between August 1, 2018 and the October 1, 2018 will be gathered and communicated subsequent to the end of the pay period following the go-live date.

For all outstanding taxable relocation payments, Business Services will work with the respective school or unit, Payroll, and the impacted employee to determine the appropriate steps to ensure compliance.

Thank you for your assistance with this important initiative. Please reach out to me directly with any questions or concerns.

Best Regards,

Jim Klein  
Director of Relocation Services  
Director of Business Services