

Wisconsin Human Resources Handbook

Chapter 760

Reimbursement for Moving Expenses

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Sec. 760.010 Introduction

The Office of State Employment Relations (OSER) has delegated to agencies the authority to grant and process reimbursement for moving expenses. The purpose of this chapter is to provide guidance in handling reimbursement requests submitted for moving expenses.

Sec. 760.020 Statutory and Rule Authority

Section 20.917(1)(2) Wis. Stats, and Section F, 10.00 of the Compensation Plan provide for the payment of state civil service employees' moving expenses. The Director of OSER may, under 20.917(6), Stats., delegate authority for approval of moving expense reimbursement payments to an appointing authority when deemed appropriate. Each collective bargaining agreement may include specific language governing reimbursement of moving expenses. See applicable collective bargaining agreement for relevant language.

Sec. 760.030 Definitions

1. **Household Effects:** Personal effects of the employee and immediate family of the employee, such as furniture, clothing, musical instruments, household appliances, food and other items which are usual and necessary for the maintenance of a household and which may be transported legally in interstate and intrastate commerce. It does not include property which is for resale or disposal rather than for the use by the employee or employee's immediate family; nor does it include such items as automobiles; motorcycles and similar motor vehicles; boats; pets; farm tractors and farm equipment; livestock; trailers with or without other property (except a house trailer or mobile home used as the appointee's residence); building materials; fuels and belongings related to commercial enterprises engaged in by the employee or employee's family.
2. **Piecemeal Move:** The moving of household goods or property in two or more trips.
3. **Stipend:** A fixed amount intended to be used for those incidental expenses that are not reimbursable as direct expenses of moving household goods.

Sec. 760.040 Basic Concepts

1. Eligibility

a. Non-represented Employees:

Classified and unclassified non-represented employees, except for limited term employees, are eligible for moving expense reimbursement when a new place of residence is required under the conditions of employment for the position. Reimbursement may be mandatory or permissive, depending on the situation requiring the relocation. When reimbursement is mandatory, expenses must be reimbursed in full subject to the limitations set forth in this chapter. When reimbursement is permissive, some or all of these expenses may be reimbursed subject to the same limitations.

- 1) Reimbursement is mandatory when the appointing authority requires the employee to change residence location because the employee:
 - a) is ordered to relocate; or
 - b) is promoted to a different position in the civil service, and the appointing authority whose agency will be the employer determines that the relocation or promotion requires the employee to change residence.
- 2) Reimbursement is on a permissive basis, at the discretion of the appointing authority, for an employee who:
 - a) relocates as a result of a transfer or demotion at his or her own request.
- 3) Reimbursement of expenses is on a permissive basis as recommended by the appointing authority for a person reporting to his or her first place of employment in state service or reporting upon reemployment after leaving the civil service.

b. Represented Employees:

Represented employees are eligible for moving expense reimbursement only to the extent specified in the applicable collective bargaining agreement.

c. Exceptions

- 1) Reimbursement for any employee's moving costs will not be allowed if the distance between the new place of employment and the old residence is less than the distance between the old place of employment and the old residence plus 35 miles and the distance between the old residence and new residence is at least 35 miles. If the appointing authority requires a move as a condition of employment the minimum distance requirements are not applicable.
- 2) No more than two reimbursements for moving expenses may be granted to any employee in a calendar year.
- 3) Unless otherwise authorized by the appointing authority, to be eligible for moving reimbursement the employee must move no later than one year from the effective date of the appointment or the end of probation, whichever is later.

2. Reimbursable Expenses of Moving Household Goods

The following items are considered direct costs associated with the transportation of an employee's household effects and are considered reimbursable costs of the move.

- Packing and unpacking
- Containers/boxes
- Linehaul (rate per 100 pounds moved)
- Fuel surcharge
- Insurance surcharge (this is not valuation or additional insurance that the employee can select)

- Long carry
- Seasonal rate adjustment
- Stairs or elevator
- Ferry, bridge or ramp charge
- Additional transportation at origin or destination
- Weight and bulk items charge (except for items not considered household effects)
- Extra labor (disassemble a swing, pool table, etc.)
- Storage - enroute only (see storage under section 3 below).

The amount payable for the transportation of household effects under this section is limited to a maximum, which is established by rate table from the major household goods tariff publishing bureau. The maximum is determined by using the rate tables, which is derived from the actual number of pounds moved and the actual distance moved. The State Controller's Office subscribes to the rate tables and can provide maximums for individual moves.

3. Incidental Costs of Relocation

The following costs associated with the relocation of an employee's household effects are not considered direct costs of transporting the household goods and are not directly reimbursable. An employee can use their stipend to pay these costs.

- Valuation/additional insurance
- Disconnection/hook-up of appliances
- Extra pick up or drop off charges of household goods (more than one location)
- Storage at destination (storage of household effects while waiting for a house or apartment to be ready)
- Warehouse handling charges
- Hauling of automobiles, motorcycles or boats
- Weight additives for transporting bulky items
- Travel costs enroute (meals, lodging, tolls, etc.)
- Costs associated with moving items that are not considered household effects.

4. Piecemeal Moves:

The appointing authority may approve reimbursement for piecemeal moves necessary to transport the employee's household effects to the new place of residence. The total amount reimbursable for moving household effects to the new residence on a piecemeal basis may not exceed the amount that would have been charged if the move had been accomplished in one trip.

5. Stipend

Stipends are provided in accordance with s. 20.917(1)(e), Wis. Stats. (See Sec. 760.020.) The amount of the stipend is established in the Compensation Plan and is currently \$1,000. For mandatory moves the employee **shall** receive a stipend equal to the amount established in the Compensation Plan. For permissive moves the employee **may** be granted a stipend of any amount up to the maximum established in the Compensation Plan. A person reporting to their first place of employment or upon reinstatement may **only** be paid a stipend if that employee receives some other level of reimbursement.

The stipend may be paid directly to the employee or, with written consent of the employee, paid to a carrier on the employee's behalf.

Eligibility for a stipend is subject to s. 20.917(1)(e), Stats., and applies to all types of moves (carrier, self or mobile home).

IRS rules determine whether all or part of the stipend is taxable to the employee. Generally, if the expenses that are paid from the stipend are deductible moving expenses and the employee provides documentation to the employer on these expenses then the stipend (or the portion of the stipend associated with the documented deductible expenses) is not taxable. If the employee provides no documentation on how the stipend will be used then the stipend should be treated as taxable to the employee.

6. Transporting the Employee and Family

The amount of reimbursement for transporting the employee and his or her immediate family to the new place of residence may not exceed the cost of mileage for one automobile at the rate specified in the Uniform Travel Schedule Amounts or the applicable collective bargaining agreement in effect at the time of the move. The maximum allowable amount shall be based on mileage using the most direct route.

The IRS establishes a mileage rate for deductible expenses associated with a move. The amount that the state reimburses in excess of the IRS moving rate is taxable to the employee.

7. Moving Without a Carrier

When an employee elects to move himself/herself:

a. Reimbursement is limited to actual reasonable, and necessary costs for:

- 1) hired professional labor in loading and unloading household effects;
- 2) rental of trucks, trailers, moving equipment;
- 3) standard insurance offered by the rental company; and
- 4) other legitimate expenses incidental to the move.

Note: Original receipts must support the reimbursement claim.

b. Reimbursement is not permitted for:

- 1) costs which exceed the limitations of 2. above;
- 2) labor charges of an employee or the employee's immediate family (as defined in ER 18.01 (4), Wis. Adm. Code).

8. Moving Mobile Homes

Occasionally, a move involves relocating a mobile home. The following guidelines apply to the relocation of a mobile home:

a. Where transportation of the mobile home is by commercial transporter, the vendor should be selected in accordance with the procedure defined in Sec. 760.050, 1.d, of this chapter.

b. Reimbursement shall not be allowed for:

- 1) purchase of parts and materials, repairs, or breakdowns in transit.
- 2) maintenance costs of the mobile home or for separate shipment of household effects that can reasonably be expected to be transported in the mobile home.
- 3) transportation to locations not on a direct route to the ultimate destination, or loading or unloading at any other location than the destination.
- 4) modifications to a private lot to properly transport or block a mobile home.
- 5) modifications to basic plumbing, electrical or other utility systems at the new site.
- 6) damage to mobile home or its contents.

- c. Reimbursement for moving the mobile home and other household effects may not exceed the amount permitted by 760.040(2). The weight of the mobile home must be included in the weight of the goods moved for the purpose of determining the maximum reimbursement amount.
- d. Expenses incurred at the origin of the move to unhook sewer, plumbing, electrical, and gas lines and to hookup these utilities at the new site are considered incidental costs and could be covered by the stipend.

Sec. 760.050 Procedures for Employee Reimbursement

1. Agency

- a. Determine if the employment transaction will result in reimbursement of moving expenses.
- b. Reach mutual agreement with the employee as to which of the following two (2) options will be used to pay the mover for preparation and transportation of household effects:
 - 1) Moving firm to bill the agency directly. This method may be used at the discretion of the agency. The employee must be counseled that he/she is still liable for all charges incurred as a result of the move. When direct billing is used, the employee should be advised to request the mover to include the bill of lading with the invoice.
 - 2) Moving firm to bill the employee who will pay the moving firm and then file claim through his/her agency for reimbursement of allowable expenses. The employee should be advised to obtain a bill of lading and an invoice to submit with the claim for reimbursement.
- c. Counsel the employee on the provisions of the statutes and this chapter of the Wisconsin Human Resources Handbook to assure that the employee knows in advance the type of moving expenses paid by the state, the various conditions under which such expenses are reimbursed, and the procedures the employee must follow for reimbursement of such expenses.
- d. Inform the employee that s/he should obtain at least two but not more than three estimates from reputable firms; binding estimates should be obtained whenever possible. Copies of the estimates must be submitted to the agency with the reimbursement request.
- e. Advise the employee to make certain that all necessary arrangements for housing in the new location have been made well in advance of the moving date. The state cannot pay for temporary lodging expenses, except as provided in Chapter 774 of the Wisconsin Human Resources Handbook.

2. Employee

- a. Contact at least two but not more than three carriers to advise them of the estimated moving date, departure, and destination. Arrange for an appointment with the movers to inspect the departure site well in advance of the moving date so the carriers understand the scope of the move and can identify any potential problems. Clearly indicate to the movers what personal effects the employee prefers to handle.
- b. Check with the movers as to the extent of "release weight" property insurance included in the estimates. The employees may, at his/her own expense or from their stipend, purchase additional and/or special insurance coverage's.
- c. Determine if the transportation or preparation charge exceeds any of the costs limitations specified in Sec. 760.040, of this chapter. If so, that portion must be at the employee's expense and arrangements agreed upon in advance with the mover for payment of those expenses.

- d. Coordinate arrangements through the agency *prior to the move* to insure that charges are eligible for reimbursement.
- e. Submit the original paid invoice and bill of lading for the moving firm's charges (unless direct billing to the agency has been arranged) and the claim for the allowance of transporting members of the employee's immediate family to the new place of employment on a travel voucher. For binding estimates, the actual weight may not be provided. In such cases the estimated weight or volume must be attached to the reimbursement request along with the binding estimate. *If the mover is authorized to bill the agency direct, the employee must only submit a claim for authorized travel expense.*
- f. Report reimbursement on income tax return if required by IRS regulations.

Sec. 760.060 Additional Procedures for New Appointees or Rehired Employees

The agency must review estimates as outlined in Sec. 760.050, of this chapter, except that a copy of the approved request must be attached when submitting the claim for payment.

Sec. 760.070 Administrative Information

This handbook chapter was updated to change the moving expense stipend from \$600 to \$1,000.