

## **RELOCATION EXPENSES**

The University of Sussex is committed to recruiting high calibre staff who can further its strategic vision and goals and continue to enhance its international standing. To encourage this we offer newly appointed staff a comprehensive and flexible relocation package subject to the following conditions.

1. The maximum amount payable will normally be £2,500 although in exceptional circumstances the head of the staff member's budgetary unit in consultation with the Human Resources division may agree to this limit being exceeded.
2. Expenses claimed will only be payable on production of invoices or receipts proving that the expenditure has been incurred.
3. Expenses should be submitted within 14 months of taking up the post, unless the Unit head in exceptional circumstances has agreed to extend the deadline.
4. Expenses will only be payable to staff whose contract is for one year or more.
5. Any member of staff who claims relocation expenses and who leaves the University's employment within 3 years of their start date (except through redundancy or the expiry of a fixed term contract) will be required to repay the expenses by deduction from final salary unless otherwise agreed, on the following scale:

First year of employment:	100%
Second year of employment	50%
Third year of employment	25%

## **MAKING A RELOCATION EXPENSES CLAIM**

1. The University's relocation expenses claim form can be found on the University website at the link below:-  
[http://www.sussex.ac.uk/humanresources/payrollandpensions/  
payrolldocumentsandforms](http://www.sussex.ac.uk/humanresources/payrollandpensions/payrolldocumentsandforms)  
Please note a list of payroll cut-off dates can also be found here.
2. The completed relocation expenses form should be submitted to the payroll office in Room 338 Sussex House.

3. As long as the form has been completed correctly with a valid cost code and authorised as required, (please see the checklist on the form), the expenses will be paid in the next available payroll run after the form is received.
4. **Not all relocation expenses can be paid free from PAYE deductions.**  
  
Relocation expenses will be categorised as 'qualifying' or 'non-qualifying' according to HMRC guidelines and regulations. **Only** 'qualifying' expenses up to £8,000 can be paid exempt from PAYE deductions. Any expenses over £8,000 or deemed 'non-qualifying' are subject to Income Tax and NIC deductions.
5. Visa and immigration fees and expenses are not allowed by HMRC as a qualifying expense and will be subject to Income Tax and NIC deductions.
6. Any Income Tax and NI deductions due on non-qualifying relocation expenses or visa expenses will be made through the payroll when they are paid.
7. Qualifying relocation expenses in excess of £8,000 will be paid free from tax and NI deductions through the payroll and reported to HMRC as a taxable benefit in kind on a P11D form at the end of the tax year.
8. For **full** HMRC guidelines and regulations on relocation costs and which costs can be deemed as 'qualifying' for the £8,000 tax exemption please see:-

<https://www.gov.uk/expenses-and-benefits-relocation>

#### **BRIEF GUIDANCE TO HMRC RULES FOR QUALIFYING EXPENSES**

##### **1. Primary Residence**

In order to qualify for the tax exemption of up to £8,000 on relocation expenses an employee **must** change their primary or main place of residence.

An employee does not need to dispose of their old home to change primary residence.

A rented property can be a primary residence.

A primary residence would normally be the property that is the employee's family home for most of the time.

A primary residence would be where friends and correspondents would expect to find the employee's family, and the University would expect to hold this address as the employee's home address on its payroll system for inclusion on RTI returns to HMRC.

##### **2. Change of Employment**

Relocation expenses can only be deemed as 'qualifying' if the change in primary residence is the direct result of an employee having changed their place of employment.

3. **Travelling Distance**

In order for relocation expenses to be deemed 'qualifying' the old residence **must not** have been within reasonable travelling distance of the employee's place of work and the new residence **must** be within reasonable travelling distance.

4. **Time Limits**

HMRC fully expect that the relocation expenses will have been incurred before the end of the tax year following the year in which the employee has started work at the new place of employment. The UK tax year ends on the 5 April each year.

5. **Type of Expenses**

In order to qualify for the tax exemption of up to £8,000 on relocation expenses the expenses **must** fall into specific categories.

- a. Expenses related to the disposal of the old residence such as estate agent's fees.
- b. Expenses related to the acquisition of the new residence such as legal expenses or survey fees.
- c. Transport of Belongings from the old residence to the new.
- d. Travel and Subsistence. This covers preliminary visits to the new location, temporary travelling between the old home and the new work location, temporary living accommodation in the new location, and travelling from the old home to the new home when the move takes place.  
It **does not** cover on-going travel between the old home and the new work location where the primary residence is not changed. It **does not** cover on going rental costs in a new property even if the new property is the employee's primary residence.
- e. Domestic goods for the new residence where goods were fixed in the old residence making transport of such goods not practicable. E.g integrated kitchen appliances.

On receipt of relocation expense claims the Payroll department will follow HMRC guidelines and regulations in categorising whether the expenses claimed are 'qualifying' or 'non-qualifying'. If necessary they will contact individuals for further information about their claims in order to make an informed decision.