Relocation Reimbursement Procedures

A. Eligibility

1. Relocation expenses for employees recruited to Rice may be paid at the discretion of the hiring department based on available funds. If relocation expenses are to be reimbursed, the amount and terms must be stated in the offer or appointment letter. As a general principle, the following eligibility guidelines apply:
   a. new full-time employees who are moving at least 50 miles (the mileage threshold is pursuant to IRS regulations) to become an employee at Rice, and
   b. existing Rice employees who are relocating in connection with either beginning or ending an assignment that requires them to reside in on-campus housing, such as college masters.

B. Reimbursable expenses

1. Rice reimburses the reasonable costs of moving the employee and members of the employee’s immediate household, and their possessions, from the old primary residence to the new primary residence. The total costs reimbursed may not exceed the maximum amount stated in the offer or appointment letter and are subject to any additional terms specified in the letter. Reimbursable costs include:
   a. Packing, transportation and unpacking of household goods. This consists of transportation, using the most direct reasonable route from the former home to the new home, for the employee and household members and related meals and lodging expenses, including meals and lodging on the day of arrival (the mileage rate for travel by automobile for relocation is lower than that for business travel and may be found at http://professor.rice.edu/professor/IRS_Mileage.asp) (Note: if the mileage is more than 10 percent greater than the shortest route, the person being reimbursed must provide an explanation of why the longer route was reasonable. A longer route may not be selected solely for personal reasons, such as sightseeing or vacation, unless it results in lower total travel costs.) While household members are not required to travel together, costs will be reimbursed for only one one-way trip per person.
   b. Moving one vehicle per licensed driver in the household.
   c. Temporary housing for a maximum of one week after arriving in Houston if household goods are delayed in transit or one month if agreed to in advance and if required in order to meet specific job requirements.

2. Rice will reimburse house hunting expenses following an offer of employment by Rice.
   a. If a department wishes to break out reimbursement for house hunting as separate from reimbursement for other relocation
expenses, this detail should be noted in the offer or appointment letter to the faculty or staff member.

b. For staff hires, this break out of allowable reimbursement (if desired) must be noted in the RICEWorks hiring proposal, so appropriate detail can be included in the offer letter.

3. Reimbursements are not paid until the individual has become an employee of Rice University.

C. Non-reimbursable expenses

1. Rice will not reimburse for items not specifically included in section B (reimbursable expenses) including, but not limited to:
   a. Vehicle tags
   b. Driver’s license fees
   c. Expenses of selling a home
   d. Expenses of breaking a lease
   e. Home improvements
   f. Loss on the sale of the previous home
   g. Loss on disposal of club memberships
   h. Mortgage penalties
   i. Real estate taxes
   j. Refitting of carpets and draperies
   k. Security deposits and utility hookup fees
   l. Costs of acquiring the new residence
   m. Lodging and meal costs incurred incidental to sightseeing or vacation taken en route

2. If reimbursable expenses are lower than the maximum amount specified in the offer or appointment letter, the remaining balance may not be used to pay for non-reimbursable items.

D. Tax treatment of reimbursements

1. The IRS has established criteria for determining which household relocation reimbursements may be excluded from taxable income. Under IRS rules and Rice’s accountable plan, relocation expenses that do not meet the following tests must be reported as taxable income in the year paid:
   a. Expenses must have a business connection (e.g., reasonable expenses of moving possessions from a former home to a new home and reasonable expenses for en route transportation and lodging from the former home to the new home),
   b. Expenses must be reported and sufficiently documented to Rice within 60 days after they were paid or incurred,
   c. The employee must be anticipated to work full time for at least 39 weeks in the first twelve months after the move, and
   d. The distance from Rice to the old principal residence is at least 50 miles farther than the distance from that residence to the previous job. Because of this requirement, the cost of moving existing employees to
2. Rice will reimburse some expenses (such as meals en route, temporary housing and house hunting expenses) that the IRS classifies as taxable. Expenses classified as taxable under the current IRS rules will be reported as additional income subject to payroll taxes and withholding. Complete details of what expense reimbursements are taxable and how expense reimbursements are reported may be found in IRS Publication 521 – Moving Expenses. Additional information may be found in FAQ's and other documents available at www.irs.gov by searching for ‘moving expenses’. Rice staff members cannot provide tax advice.

E. Other Information
1. Relocation of research programs (purchase of laboratory equipment and supplies) is considered a university business expense and is typically funded through start-up budgets provided to faculty in letters of appointment.
2. Hiring departments, schools or divisions are responsible for paying for agreed upon relocation reimbursements, including house-hunting trips, if any. Each dean's office may set guidelines for reimbursements within a school. Commitments to new employees for reimbursement of moving expenses must be stated in the offer or appointment letter. Factors to consider in determining an allowance for each new hire include:
   a. Distance to be traveled
   b. Anticipated moving company costs
   c. Size of household to be moved
   d. Available budget
3. A copy of the offer or appointment letter that includes information about relocation expenses should be attached to the reimbursement requests (salary information should be blacked out).

F. Roles and Responsibilities
1. Deans, Vice Presidents, Vice Provosts and Department Heads. Approve amount and terms of Rice reimbursement.
2. Department Administrators. Provide relocation information detail in hiring proposal document (RICEWorks) to Human Resources for staff offer letter, to Provost for faculty offers and to Payables/Disbursements for processing.
3. Human Resources. Prepare and extend offer letter to staff

G. Forms
Click here to view the Relocation Reimbursement Form (PDF, Word, or Excel).