

APPENDIX 1**Maldon District Council – Relocation Expenses Policy**

Document Control Sheet

Document title	Relocation Expenses Policy
Summary of purpose	Maldon District Council aims to recruit the most talented individuals. This policy is intended to support this aim by providing assistance to new employees who have to relocate to take up a position.
Prepared by	Lead HR Specialist
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Validity Statement

This document is due for review by the date shown above, after which it may become invalid. Users of the strategy or policy should ensure that they are consulting the currently valid version of the document.



Maldon District Council – Relocation Expenses Policy

1 Policy Statement

The Council recognises that taking up a new appointment can often result in additional expenses that would not have otherwise been incurred. This scheme provides financial assistance for new employees appointed to a post with the Council if as a result of the appointment they are required to move their place of residence in order to perform the duties of the post.

Relocation assistance is entirely discretionary. The Council will decide whether the individual is entitled to relocation assistance on a case-by-case basis depending on the situation and individual circumstances.

This Policy does not form part of a contract of employment. The Council reserves the right to amend or withdraw it at any time.

2 Amount available

The maximum level of relocation assistance provided by the Council is £8,000. This is the current HMRC tax and national insurance exemption limit for the purposes of relocation.

This amount will not be paid as a lump sum. The specific relocation costs that are eligible for reimbursement are covered in this policy.

For the avoidance of doubt, this policy provides for a contribution towards the cost of relocation only and is not intended to meet fully all costs associated with a relocation.

Commented [HN1]: New

3 Taxation

%

All offers of relocation under this scheme are subject to the rules set out in part 4, chapter 7 of the Income Tax (Earnings and Pensions) Act 2003 and administered by HM Revenue & Customs.

The individual is responsible for any statutory income tax and national insurance liability incurred as a result of receiving relocation assistance. The first £8,000 is exempt from tax and national insurance provided that certain statutory conditions are met, including that the new property is your sole or main residence.

The Council will not make any contributions above £8,000 as any amount over that is taxable benefit and will be reported to HM Revenue & Customs on form P11D by 6 July following the end of the tax year (5 April) in which the expense was reimbursed or the benefit was provided.

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4 Eligibility

You may be eligible to qualify for financial assistance if you meet all of the following criteria:-

- I. be a newly appointed member of staff and are permanently moving your main or sole residence to a different location;
- II. have not directly or indirectly received similar benefit(s) in connection with a spouse/partner from the Council or some other employer or institution;

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- III. eligibility for financial assistance must be included as part of your formal employment offer;
- IV. commencement of financial assistance must be within twelve months of starting your new appointment with the Council. The ~~Chief Corporate Services Officer~~ Head of Paid Service may extend this period in extenuating circumstances;
- V. you currently live more than 25 miles away from the District Council Offices;
- VI. You have a property to sell
- V.VII. You are to be employed to fill a Tier 1,2,3 role and your attendance at the office is necessary for at least 40% of your working week.

The ~~Head of Paid Service~~ Chief Corporate Services Officer may authorise financial assistance outside of this guide to take account of specific personal circumstances such as the location of a partner's employment or location of family and is subject to business needs.

3 Repayment of relocation assistance

Prior to any financial assistance being made available you will be required to sign an agreement which sets out repayment terms should you subsequently leave the Council for any reason within three years 24 months of starting work with the Council.

Employees must agree to repay some, or all, of the amount we give if:

- Their employment terminates within two years from the date of payment of the relocation expenses
- Or, they move out of the residential area agreed whilst still in the post, within two years of taking up the post.

repay the full amount of assistance given provided that a reduction of 1/36th of the amount shall be made for each full calendar month of completed service.

The amount repayable is reduced on a sliding scale as follows:

<u>Period of service (from the date of the first expenses payment made to you by the Council)</u>	<u>Amount to be repaid (as % of total expenses)</u>
<u>0-6 months</u>	<u>100%</u>
<u>7-12 months</u>	<u>50 %</u>
<u>13-18 months</u>	<u>25%</u>
<u>19-24 months</u>	<u>Reducing from 25% by one-sixth of 25% for each completed month from 19 months to 24 months</u>

In the event the employee does not relocate, any relocation assistance given up to the time that the move is aborted, must be repaid in full by the employee. This payment will be agreed for deduction from wages.

Repayment will not be necessary where the employment ends through no fault of the employee such as redundancy, ill health, injury or disability.

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4 Approval

The recruiting manager will get agreement with the Head of Paid Service and Section 151 Officer before any offer of a relocation package is discussed with the suitable candidate.

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4 ~~Scale of benefit~~ Amount available

All claims must be supported by valid receipts and invoices. Please contact Human Resources who will help you process your claim if you have any questions. The Claim Form for use can be found on Freshservice.

Expenses will only be reimbursed if we think they are reasonable.

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Benefit	Level of Assistance – Capped at £8,000 in total
Sale and purchase of house (includes survey fee, estate agent's fees, <u>land registry fees</u> , and stamp duty where applicable)	Actual amount up to maximum of £5,000 including VAT
Removal <u>includes:</u> <ul style="list-style-type: none"> <u>Packing and unpacking</u> <u>Temporary storage if a direct move from the old to the new residence is not made</u> <u>Taking down domestic fittings in the old residence and reattaching them on arrival at new residence</u> 	In full against lowest of three quotations Full reimbursement for period of up to 13 weeks against the lowest of three quotations
Disturbance (includes miscellaneous expenses such as connection / <u>reconnection charges for utility services</u> , carpets, curtains <u>etc.</u>)	Actual amount to maximum of £1,000
<u>Cost of temporary Lodging or Rented Accommodation</u> <u>living accommodation</u>	Actual amount up to £100 per week for a maximum of 26 weeks
Travel Costs <u>(where two homes being maintained) when travelling between the old home and the new work location</u>	By Public Transport – Standard class twice a month for 6 months maximum By Car – 12 pence per mile up to a maximum of 1000 miles per month for six months
House Search Expenses	By Public Transport – Two Standard class fares By Car – 12 pence per mile to a maximum of 500 miles
<u>House Move Leave</u> <u>Additional Annual Leave to cover visits to the new residence or for the actual move</u>	Two additional days leave will be granted <u>to undertake the house move</u>

More information – See Freshservice or seek advice from Human Resources.

5 Expenses not eligible for reimbursement

They include:

- Interest payments for the mortgage on the employee's existing home, where this is maintained and /or rented out
- Payments for redirection of mail

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- Council tax bills
- Purchase of new school uniforms for the employees children; and
- Compensation for losses such as having to give up a part-used season ticket, a penalty for giving insufficient notice of a child's withdrawal from a school, or the cost of joining a new sports or social club

Other forms of assistance such as financial advice, a home search service or help provided for an employee's spouse to find a job in the new location are also non-exempt expenses.

6 Making a claim

Claims can be made by submitting details through Freshservice, using Appendix 2. Reimbursement will only be made against expenses that are actually incurred and require proof of expenditure, such as original VAT invoices (not photocopies).

Any expenses will be reimbursed based on the actual costs incurred by the employee.

The line manager for the employee will need to confirm evidence has been seen in the original format and approve the claim before Resources are able to process the reimbursement.

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Appendix 1: Relocation and Disturbance Allowance

Application for Relocation Expenses

Name: _____

Job Title: _____

Date to commence employment with Maldon District Council: _____

Current address, or address to which correspondence should be sent:

Telephone Number: _____

Do you have a property to sell: _____ YES / NO

Do you intend to claim the following?

• Temporary accommodation with one weekly return journey _____ YES / NO

• Daily Travel (maximum payment for 100 miles per day at lease car rate) _____ YES / NO

DECLARATION

1. I have read the Council's Relocation Scheme attached for newly appointed employees and agree to be bound by them in respect of this application. I confirm that neither I nor any of my household has made, is making, or will be making any other claim for reimbursement of relocation expenses in connection with this move either from the Council or any other sources.
2. I agree that if my employment terminates for any reason before I have completed 36 months service I will be required to pay the full amount of assistance given provided that a reduction of 1/36th of the amount shall be made for each calendar month of service.
3. I confirm that I am actively seeking to purchase a property and to sell my existing property / I am moving from rented accommodation into rented accommodation.

Signed: _____ Date: _____

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Appendix 2: Relocation and Disturbance Allowance

Claim Form

Payments will only be made in line with the Council's Relocation Policy.

Any claim should be made within 2 years of joining the Council. Under the current income tax rules a maximum of £8,000 (inclusive of VAT) may be paid to an individual for relocation purposes tax free subject to HMRC conditions which are available at: <http://www.hmrc.gov.uk/guidance/relocation.htm>

Please complete the form below and return it together with all relevant paperwork, including all original receipts to Human Resources. Your claim will be processed as soon as possible.

Name (in capitals)			
Job Title and Service Area			
Start date			
Address moved from [please include post code]			
Address moved to [please include post code]			
Date of move		Mile radius of new address from place of work	

Details of claim (please attach all receipts)	Cost
Cost of preliminary visits [house search]	
Removal costs	
Temporary storage costs	
House sale/purchase (legal/estate agent/surveyors fees, stamp duty)	
Disturbance	
Moving from rented accommodation to rented accommodation	

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Lodging/two homes allowance	
Other [please specify]	
TOTAL CLAIM	

~~I understand if I voluntarily leave the Council's employment within 24 months of taking up the appointment, I will repay all sums paid by the Council under the scheme.~~

~~If I leave the Council's employment after 24 months but within 36 months of taking up the appointment, I will repay 1/36 of the sums paid by the Council under this scheme for each month of the 36 months served.~~

~~I understand that by signing this undertaking I am bound by these conditions and irrevocably authorising the Council to deduct the amount repayable from sums due to me from the Council whether by salary or otherwise, prior to any payments being made.~~

Signature:	
Date:	