Responsible Executive:
Vice President for Finance and Administration

Responsible Office: Controller's Unit

Effective: July 1, 2018

Last Revised: October 7, 2024

CU Policy – Rule 03-120-404

Relocation Allowance

1. Summary

1.1. To attract top candidates during the recruitment process, a hiring manager may offer a relocation allowance. This allowance is not intended to cover the full cost of a move to the vicinity of an Oregon State University site, but rather to defray a portion of the cost to relocate to a new place of employment. However, specific allowance amounts may reflect the competitive environment of particular hires.

1.2. The decision to offer a relocation allowance is at the discretion of the hiring unit based on recruitment needs, availability of funds and any guidelines set forth in this fiscal rule. Any such allowance must be approved prior to the written offer to the new employee.

1.3. Unit hiring managers, financial accounting managers, any employee who may be involved in hiring a new employee at the university and any employee receiving a relocation allowance should be informed and understand this rule.

2. Compliance Requirements

2.1. Per the 2017 Amendment of 1986 Internal Revenue Code, Section 11048 of the Tax Cuts and Jobs Act, any payments to a new employee related to moving and relocation are 100% tax reportable as supplemental wages and subject to income tax withholding.

2.2. OSU payroll policies must comply with all IRS compensation rules and regulations.

2.3. Relocation allowance payments are reflected on the employee's Form W-2.

3. Required Process

3.1. Eligibility & Determination of Relocation Allowance

3.1.1. Employees with academic faculty, non-temporary classified staff, professional faculty, public safety and tenured administrator appointments are eligible to receive a relocation allowance, based on the needs of the hiring unit. Employees with graduate assistant, student assistant or academic wage appointments are not eligible.

3.1.2. To be eligible for a relocation allowance, the new employee is expected to work for the university at least one (1) year. If the employee voluntarily separates from the university prior to meeting the required length of service, the university may take action to recover the relocation allowance.

3.1.3. If the employee does not relocate as agreed within one (1) year, the university may take action to recover the relocation allowance.

3.1.4. Following are general guidelines to assist the hiring unit in determining the amount of a relocation allowance to offer, based on distance from employee's current home to the new work location:

a) Up to $5,000 for relocation outside the local area and within three hundred miles.

b) Up to $8,000 for relocation greater than three hundred miles, within the continental United States.

c) Up to $12,000 for international and non-continental U.S. relocation.

3.1.5. Offers of allowances up to $20,000 may be approved at the unit level and by the appropriate budget authority. The Provost or the Vice President for Finance and Administration (VPFA) must approve any relocation allowance offer exceeding $20,000.

3.1.6. Financial Accounting & Reporting staff will provide an annual report (on a calendar year basis) to the Provost and VPFA on relocation allowance usage.

3.2. Authorization of Relocation Allowance

3.2.1. Relocating employees must move at their own expense. The relocation allowance is intended to assist a new employee in all aspects of relocating to their new place of employment.

3.2.2. The amount to be paid for relocation by the unit and the statement "If employee voluntarily separates from the university, or does not relocate as intended, within one (1) year, the university may take action to recover this allowance." must be included in the offer letter (*see section 3.1.1*). The new employee is required to sign the offer letter as acceptance of employment with the university.

3.2.3. The hiring unit is responsible for obtaining all required approvals prior to processing an offer of employment through University Human Resources. When the offer includes a relocation allowance, this includes Budget Authority approval for any allowance offered, approval from the Provost or VPFA for any relocation allowance that exceeds $20,000 (*see limit established in section 3.1.3*) and/or approval from the Office for Sponsored Research and Award Administration for any relocation allowance that is to be paid using grant or contract funds. The hiring unit is also responsible for notifying Central Payroll when relocation allowance is to be paid using an index different than the one setup for an employee's regular pay.

3.2.4. The final signed offer letter serves as the official authorization of the relocation allowance, which becomes part of the employee's hiring package and should be considered and flagged as "confidential" for auditing purposes.

3.3. Payment of Relocation Allowance

3.3.1. Because the taxable relocation allowance must be processed with actual wages through payroll, payment cannot be made until the employee begins working for the university and has an employee record established in the payroll system.

3.3.2. Once the new employee has an employee record established in the payroll system, the approved allowance will be processed for payment within the next standard payroll cycle following the employee's start date.

4. Related Information

4.1. Please check with your supervisor for unit-level procedures related to this rule and other resources that may not be listed below.

4.2. Section 11048 of the Tax Cuts and Jobs Act (P.L. 115-97)

4.3. Process for Payment of Relocation Allowance

4.4. Definitions of Terminology

4.5. Frequently Asked Questions (FAQs)

5. History

5.1. Original Issue Date: 02/1982 (FIS 415 Relocation and Moving)

5.2. Previous Versions: 03/2016; 06/2019; 04/2024

5.3. Next Scheduled Review Date: 10/2024

6. Contacts

6.1. Policy Steward: Payroll Manager

6.2. Program Manager: Fiscal Policy Officer

6.3. Link to full list of Policy Program Contacts