**Moving Allowance UPPS No. 03.01.22**

**Issue No. 1**

**Effective Date: 02/22/2022**

**Next Review Date: 12/01/2025 (E3Y)**

**Sr. Reviewer: Director of Payroll and Tax Compliance**

**POLICY STATEMENT**

*Texas State University is committed to providing and maintaining a system for the authorization and payment of moving allowances for eligible employees.*

**01. BACKGROUND INFORMATION**

01.01 This document describes the policy and procedures for authorization and payment of a moving allowance for eligible Texas State University employees.

01.02 Prior to making any offer to pay a moving allowance, approval must be obtained on an [Authorization for Employee Moving Allowance form](https://www.txstate.edu/gao/ap/forms.html)from the President’s Cabinet officer of the new employee's department.

01.03 Payment for a moving allowance may be authorized only for full-time faculty, principal investigators, technical employees, and administrative and professional staff employees at the director level and above.

01.04 Returning employees must have a break in service of more than five years to qualify for a moving allowance.

01.05 The new employee’s city of prior residence must be more than 100 miles from their assigned designated headquarters at Texas State.

01.06 A moving allowance shall not exceed an amount equal to one-tenth of the individual's annual salary or $15,000 whichever is greater. For full-time faculty, annual salary is the nine-month salary amount. Account managers and President’s Cabinet officers may choose to set lower limits.

01.07 State-appropriated funds may not be used for payment of a moving allowance. The following local funding sources may be used to pay the moving allowance:

a. designated funds;

b. auxiliary funds;

c. restricted gift funds, when their use is authorized by or consistent with donor or grantor intent; or

d. sponsored project accounts, provided approval is obtained from the Office of Research and Sponsored Programs.

01.08 Payment of a moving allowance is only made through payroll and is considered taxable income to the employee. The allowance will not be increased for the applicable taxes but will be reduced by the applicable federal income tax and FICA deductions.

01.09 An exception to any provision of this document requires approval by a President’s Cabinet officer.

**02. DEFINITION**

02.01 Pre-Determined Moving Allowance – the amount before taxes approved by the new employee’s President’s Cabinet officer.

**03. PROCEDURES FOR OFFERING MOVING ALLOWANCE TO A NEW EMPLOYEE**

03.01 Payment of a moving allowance from university funds for a prospective university employee must be pre-authorized on an [Authorization for Employee Moving Allowance form](https://www.txstate.edu/gao/ap/forms.html).

03.02 The commitment and dollar amount of the pre-determined moving allowance authorized must be specified in the offer letter to the prospective employee.

**04.**  **PROCEDURES FOR PAYMENT OF A MOVING ALLOWANCE**

04.01 The department's account manager is responsible for initiating the payment of a moving allowance for a new employee by completing a special payment Personnel Change Request (PCR). The rehire or hire PCR must be processed prior to submitting the special payment PCR.

04.02 The approved [Authorization for Employee Moving Allowance form](https://www.txstate.edu/gao/ap/forms.html) must be attached.

04.03 Payment is processed based on the effective date of the PCR. Pay dates can be found on the published payroll calendar.

04.04 The Office of Payroll and Tax Compliance will process the payment and include the full amount as taxable income. Payroll taxes, including federal withholding, FICA, and Medicare will be deducted from the recipient's next paycheck, and the Office of Payroll and Tax Compliance will record the matching employer contributions.

**05. REVIEWER OF THIS UPPS**

05.01 Reviewer of this UPPS includes the following:

Position Date

Director of Payroll and Tax December 1 E3Y

Compliance

**06. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Director of Payroll and Tax Compliance; senior reviewer of this UPPS

Associate Vice President for Financial Services

Vice President for Finance and Support Services

President