



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 72.18, **Payments for Employee Moving Expenses**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish procedures for paying employee moving expenses.

REVIEW: This HSCEP OP will be reviewed in November of each odd-numbered year (ONY) by the Managing Director of Payroll and Tax Services, the Executive Director of Human Resources, the Managing Director of Business Affairs or designees, with recommendations for revisions submitted to the Chief Financial Officer or designee by December 15.

AUTHORITY AND APPLICABILITY:

This operating policy/procedure follows the tax rules set forth by the Internal Revenue Service (IRS), See, IRS Publication 521 for more information. In the event that the IRS rules change or there is a discrepancy between this OP and the IRS, the rules set forth by the IRS will prevail.

POLICY / PROCEDURES:

I. Business Expenses

Expenses incurred to bring prospective employees to the TTUHSC El Paso (for example, recruiting, interviews, etc.) are business expenses that should be paid directly to the vendor and are not employee moving expenses covered by this OP.

II. Employee Moving Expenses

- A. Passage of the Tax Cuts and Jobs Act removes the individual moving expense deduction effective January 1, 2018. All employee relocation payments are taxable to the individual and will be reported as taxable wages on the employee's annual Form W-2.
- B. Any moving expenses that are paid through TechBuy/SciQuest to a third party on behalf of an employee will be reviewed by Payroll and Tax Services. Amounts paid to a third party on behalf of an employee that are for relocation expenses will be added to the employee's Form W-2 wages and appropriate taxes will be withheld. It is the responsibility of the hiring department to inform the employee that taxes will be withheld on this type of payment.
- C. Payments of moving expenses to the employee should be processed through the Employee One-Time Payment System (EOPS), located at https://banapps.texastech.edu/it/is/PY_employee_OTP/Welcome.aspx. The MOV earn code should be used for all moving expenses.
 1. Relocation Stipend: For relocation stipends, receipts are not required if an offer letter indicating the amount of the relocation stipend offered is attached to the EOPS transaction. Departments do not have to wait until the move has occurred to submit the EOPS payment.

2. Actual Reimbursement: If reimbursing actual (incurred) moving expenses, please attach copies of the receipts to the EOPS. Receipts need not be original; physical and/or digital copies are sufficient. Scanned copies of all applicable receipts attached to the EOPS as a PDF document is required for actual reimbursement.

III. Approvals

- A. Payment/reimbursement for moving expenses requires the approval of the appropriate dean, regional dean, or vice president.