



RELOCATION EXPENSES SCHEME

Policy and Procedure

1 Introduction

Subject to the authorisation of the relevant Head of Service, the Relocation Expenses Scheme applies to all new employees of the Council (except for school based employees) who are required to move home in order to take up their appointment.

2 Conditions

- H.M. Revenue and Customs exempt employees from having to pay tax and national insurance contributions on relocation expenses where an employee has to move home to take up a job, with a new employer and that home becomes their main residence.
- The existing home must be over 25 miles from the initial place of work in South Tyneside and the new home must be within a 25 miles radius of the initial place of work in South Tyneside.
- Expenses will be payable if incurred before the end of the income tax year following that in which the new job starts. This deadline may only be extended in exceptional circumstances with the agreement of the Inland Revenue.
- If a new home is not purchased all of the relocation expenses claimed will have to be repaid. This purchase can be made after the time limit for the payment of expenses outlined above although expenses will not be payable unless an extension has been agreed.
- If an employee leaves within 1 year of being appointed they will have to repay all of the relocation expenses that they have received. If they leave after completing 1 year of service but less than 2 they will have to repay half of their relocation expenses.
- Receipts are required for all expenses that are claimed.
- Employees whose existing home is outside mainland Britain can claim expenses from their point of entry into the country.
- The initial appointment must be for a period of 2 years or more.

3 Eligible Expenses

The amount of relocation expenses that can be claimed is limited to a maximum overall payment of £8,000 including VAT. The following expenses and benefits (based on guidance from H.M. Revenue and Customs) can be offset against this amount. South Tyneside Council will not pay suppliers direct or pay any expenses in advance of the employee taking up their appointment or incurring the costs:

3.1 Sale of Home

Costs of selling the existing home, whether it is owned or rented (or of a proposed sale which falls through), such as:

- legal fees and services
- estate agent's and auctioneer's fees and services
- advertising
- disconnecting gas, electricity, water and telephone supplies
- loan redemption costs, where the loan was raised to buy the existing home, or where the loan was secured on the existing home
- rent, insurance, maintenance and security once the property is left empty and before you sell it

3.2 Purchase of Home

Costs of acquiring a new home (or of a proposed acquisition which falls through for reasons outside the employee's control, or where they had good reason to pull out) including:

- legal fees and services
- loan arrangement costs and mortgage indemnity premiums
- structural surveys and valuations
- Stamp Duty and Land Registry fees
- connection fees for gas, electricity, water and telephone supplies

3.3 Relocation

Costs of moving household furniture and effects (including ordinary gardening equipment), such as:

- packing and unpacking
- temporary storage
- insurance specially taken out to cover goods in transit or in temporary storage
- removing and refitting domestic goods

3.4 Search For New Home

Travel and subsistence costs for:

- family visits to the new location
- family travel when the actual house move takes place

3.5 Temporary Accommodation/Commuting

To cover lodging expenses or travelling undertaken whilst the former home is being sold (for a period of up to 9 months), or the family is preparing to move, such as:

- travel for commuting temporarily to the new place of work and/or temporary lodging expenses (if the move to the new home is after the move to the new job)
- temporary accommodation at the new location if the old home is left before the new home is occupied
- travel between the old home and the temporary accommodation
- travel between the new home and the temporary accommodation when the house move takes place before the job transfer
- accommodation and travel for a child (under 19 at the beginning of the tax year in which the new job starts) who has to stay at the old location, or move to the new location before the rest of the family, in order to ensure continuity of schooling

3.6 Other Expenses

- costs of replacing domestic goods such as carpets, curtains and cookers because the goods used in the old home are unsuitable for installation in the new home, less any amount received for the replaced goods
- interest payments on bridging loans providing the loan is used only to redeem a loan secured on the old home or to purchase the new home, and the loan does not exceed the market value of the old home at the time the new home is bought

4 Relocation Claim Procedure

- A [Relocation Expenses Claim Form](#) needs to be completed each time a claim is made. This form needs to be authorised by the relevant Corporate Director or Head of Service and then forwarded to Payroll for payment.
 - Your payment must be accompanied by appropriate documentation including proof of payment e.g. an official receipt, electronic booking confirming the amount paid. It must be clear from the documentation what the payment was for. All invoices must be accompanied by a receipt or have an official stamp indicating that they have been paid. In the case of expenses related to the sale or purchase of property the final receipted Solicitor's completion statement must be submitted.
 - If you are making a claim for temporary accommodation or commuting costs you will need to provide evidence that your existing property is on the market.
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- Your claim may be made in as many instalments as suits you, it is not necessary to wait until you have completed your relocation to make a claim.

6 Equality and Diversity Statement

South Tyneside Council is committed to promoting equality and valuing diversity. An equality check this policy was carried out in 2019 and no equality check implications were identified.

Policy approved by:	Policy Review Group
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