



## **Business Matters @ Sac State**

**Topic: Moving and Relocation Reimbursement – Effective: September 11, 2018**

**DATE:** September 11, 2018

**TO:** Campus Business Partners, Deans, Associate Deans, Department Chairs, Directors, and Managers

**FROM:** Daljit Khangura, Director, Accounts Payable & Travel (AP)

### **MOVING AND RELOCATION:**

The California State University has a new rate for Moving and Relocation reimbursement effective for new or relocated employees, moving on or after August 10, 2018

According to the State Controller's Office, California conforms to the federal rules relating to the qualified moving (relocation/ mileage) expense reimbursement exclusion from gross income and wages under Internal Revenue Code (IRC) Section 132(f), in effect on January 1, 2015. As a result, all such reimbursements remain excludable from California wage reporting, Personal Income Tax (PIT), and State Disability Income (SDI) withholding for tax years 2018 to 2025.

The following procedures apply to Sacramento State employees who wish to claim moving and relocation reimbursement:

- Reimbursement for moving expenses incurred directly by employee should be submitted to AP on a Travel Expense Claim Form and supported with receipts and proof of payment for each expense being claimed. The newly hired employee's department can assist with this process. It is the hiring department's responsibility to monitor reimbursement balances; the sum of all moving and relocation expenses cannot exceed the approved moving and relocation amount.
- In addition, all moving and relocation expenses are subject to income tax withholding. The tax breakdown is as follows: 22% Federal, 1.45% Medicare and 6.2% Social Security for a total of 29.65% withholding. Non-qualified moving expenses add 6.6% State income tax withholding for a total of 36.25%.
- This information will be reported to the State Controller's Office. The payroll warrant distributed to you on the *date of your next payroll warrant*, or a subsequent payroll warrant, may have the 29.65% or 36.25% taxes withheld. ***This will be in addition to your normal withholding.***
- Due to this change, Accounts Payable & Travel will require receipts for moving & relocation expenses. **The employee and the department must make sure that all receipts are accounted for before submitting a travel claim to Accounts Payable.**

The Accounts Payable website has been updated to reflect the change.

### **Contact Information:**

If you have any questions; and/or, concerns about this notice, please contact the Accounts Payable & Travel Office at [aba-fin-ap-travel@csus.edu](mailto:aba-fin-ap-travel@csus.edu), ext. 86476. Thank you.

***Financial Services and Budget Planning & Administration***  
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