

Moving Expense Reimbursements

by

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Extension 2053

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9:00 – 10:30 AM

Wednesday, August 12, 2015

1:00 – 2:30 PM

IRS RULES

Versus

NMU

POLICIES

IRS rules state that you can deduct your moving expenses if you meet all three of the following requirements:

1. Your move is closely related to the start of work

- ☞ *Moving expenses incurred within 1 year from the date you first reported to work*
- ☞ *Special circumstances that prevented the move within that time (Call Sharon Mattis at X2053 if you find this to be the case)*

2. You meet the distance test

- ① *NMU policy states the distance moved must be greater than 120 miles*
- ① *IRS rules state the distance moved must be greater than 50 miles from your former home than your old main job location was from your former home*

and, FINALLY.....

3. You meet the time test

- 🕒 *39 week test for employees*
- 🕒 *You must work full time for at least 39 weeks during the first 12 months after you arrive in the general area of your new job location.*
- 🕒 *See IRS publication 521 (page 5) for clarification of time test for employees*
- 🕒 *Failure to meet the time test will result in additional taxes owed to the IRS*

Please direct your new hires to these policies at the beginning of the hiring process.

NMU Moving Expense Policy

- <http://www.nmu.edu/policies?processtype=parent&action=SearchPolicies&phase=phase2&elementid=676&subaction=Policy>
- ▶ Reimbursements are limited to 5% of starting base salary
- ▶ In unusual circumstances, if budget resources are available, a reimbursement over 5% may be authorized by the divisional vice president or the president

IRS Guide to moving expenses


- <http://www.irs.gov/uac/Publication-521,-Moving-Expenses>
- <http://www.irs.gov/pub/irs-pdf/p521>

DEDUCTIBLE MOVING EXPENSES



MOVING EXPENSES ARE LIMITED TO

• Transportation of household goods and personal effects

- ☺ Moving vans
- ☺ Private vehicles with U-haul trailers
- ☺ Shipping expenses when transporting household goods and/or vehicles
- ☺ Boxes 
- ☺ Packing materials, tape
- ☺ Storage expenses for 30 consecutive days after the day your things are moved from your former home and before they are delivered to your new home

•Travel



☺ Lodging

- Along the way (most direct route)
- One night in Marquette
- Lodging expenses you had in the area of your former home within one day after you could no longer live in your former home because furniture had been moved
- Travel should be by most direct route from your former home to new home
- Additional lodging expenses for pets is allowed





Airfare



Expenses paid or incurred for vacation or sightseeing along the way are not reimbursable



Mileage (per NMU policy)

- Private vehicle
- Private vehicle with U-haul trailer attached
- Mileage rates set as per IRS
 - Go to <http://www.irs.gov> for current year mileage rates
 - 2015 rate is 23 cents per mile
- Gas (per NMU policy)
 - Rental of moving van commercial vehicle

Tolls



Meals are excluded per IRS guidelines










Other Guidelines/Information


- 💰 You can deduct the cost of transportation and lodging for yourself and members of your household while traveling from your old home to new location
- 💰 Members of a household do not have to travel together or at the same time; **but remember**, a member of your household is anyone who has both your former and new home as his/her home.


- 💰 You can only deduct expenses for one trip per person
- 💰 Payments of cash made to individuals for moving, driving, etc. **will not** be reimbursed by NMU
- 💰 Purchase orders can be processed for prepayment of moving company expenses if the charge is over \$2,500
- 💰 An invoice is required with final quote
- 💰 Purchase order will be for the amount approved by the divisional vice president or limited to 5% of the starting salary




Processing and Approving Paperwork

-  Go to <http://www.nmu.edu/academicaffairs/forms> and print the “Moving Expense Reimbursement Form” with instructions
-  Fill out the form, checking the box for tenure-earning, term, or staff
-  Make sure the department head and dean have signed the Moving Expense Reimbursement Form before scanning it into concur invoice

-  Fill out a check request in concur invoice system and attach all receipts and documentation including the Moving Expense Reimbursement Form
-  This is one of the exceptions for reimbursing employees in concur invoice
-  Use account code **7160** for **all** moving expenses
-  Once the paperwork has been approved, the check request will be reviewed and approved in concur by the Controller Office

-  If tenure-earning faculty, the Moving Expense Reimbursement Form will be printed and initialed by the Controller Office and sent to VP for Academic Affairs office for reimbursing the department budget

-  The Controller Office will keep a copy of the forms and send the information to Payroll for reporting reimbursements on employee's W-2

-  If term or staff is checked the procedure will be the same **except:**
 -  *Academic Affairs **will not** receive a copy of the Moving Expense Reimbursement form*
 -  *The Department will be responsible for reimbursement*



Any

QUESTIONS?

