

# Relocation Procedure (MPF1216)

## GOVERNING POLICY

This procedure is made under the [Relocation Policy](#).

## SCOPE

This procedure applies to hiring of new and existing University staff who need to relocate from their primary place of residence in order to take up an academic or professional position at the University, and to whom the University offers relocation assistance.

## PROCEDURE

### 1. Types of relocation assistance

1.1. The hiring department must determine which types of relocation assistance will be offered prior to finalising the contract of employment. The 5 main types of relocation assistance are outlined in the [Relocation Policy](#).

1.2. Heads of budget divisions will consider the following factors in determining which types of relocation assistance will be included in the offer of employment:

- the appointee's family situation (size of family, specific needs)
- the distance of the move
- parity amongst other recent appointees
- work unit budget and difficulty in filling the role
- any reasonable requests for relocation benefits, from the new hire/employee during the negotiations of the contract.

### 2. Travel expenses

2.1. The University may cover the cost of economy airfares or reasonable travel costs from the existing place of residence to the new place of residence for the staff member and their partner/family at the commencement of the appointment. Such expenses would usually be covered as a minimum where the head of budget division decides that relocation assistance will be provided.

2.2. The University may cover the cost of economy airfares or reasonable travel costs to the original place of residence for the staff member and their partner/family at the conclusion of the appointment only in cases where:

- the staff member is appointed to a fixed-term contract, and
- the offer to cover these costs is expressly stated in the contract of employment.

2.3. The University may cover the cost of economy airfares or reasonable travel costs to the original place of residence for the staff member and their partner/family even though this was not specified on the contract of employment in the following circumstances:

- termination due to redundancy
- an employee who has relocated from overseas specifically requests to return to their original country of residence while the initial fixed-term contract of employment (for which they relocated to Australia) is still current and has not been superseded by a new or revised contract.

2.4. Where a head of budget division approves the inclusion of a return travel provision in the initial employment contract, the following clause may be added to the contract:

'The same fare allowance will be paid for a journey back to the original place of residence (before appointment to the University) or the next place of residence. In the latter case, the allowance will not exceed the current cost of the fare to the original place of residence. The right to return travel fares will lapse if the appointee accepts a further term or continuing appointment during or on completion of the first appointment.'

### **3. Reimbursable relocation expenses**

3.1. In addition to travel expenses, the University may cover other specific expenses associated with staff relocation, subject to the limitations outlined in section 3.2. These expenses must be negotiated at the time of the initial offer of employment and specified in the employment contract.

3.2. The maximum amount of relocation assistance offered to an employee as a reimbursable expense (excluding travel expenses covered in section 2) will not exceed 8% of the employee's gross base salary for domestic relocations or 12.5% of the employee's base salary for international relocations.

3.3. Reimbursable relocation expenses may include any of the following:

- temporary accommodation for a period of up to 4 weeks for the employee and their family in a serviced apartment, following arrival at the new location
- removal of furniture and personal effects from the employee's primary place of residence to the new location
- insurances relating to the relocation of furniture and personal effects
- reasonable expenses (excluding any medical or quarantine expenses) associated with the relocation of up to two pets
- settlement & orientation services (as outlined in section 5)
- support for initial work visa application
- for international transferees only, a consultation session with a tax agent to assist with information on Australian taxation and superannuation
- utility connection/disconnection at permanent residence (excludes internet connection/mobile phones or service).

### **4. Relocation incidental allowance**

4.1. The University may provide a one-off payment equivalent to the staff member's gross fortnightly salary to cover some of the incidental expenses that may be incurred as a result of relocating, e.g. car registration.

4.2. Where offered, the incidental allowance will be paid to the employee within the first 4 weeks of employment.

### **5. Settlement and orientation services**

5.1. The University may provide the following settlement and orientation services as part of the reimbursable relocation expenses outlined in section 3:

- meet and greet at the airport and transport to accommodation
- destination information pack
- orientation tour
- partner career support
- cross-cultural briefing

- home search, including assistance with rental applications and utility connections
- school search, including information packs and visits

5.2. The University will nominate preferred service providers for the settlement and relocation services outlined in section 5.1.

## 6. International relocation support

6.1. The University may provide the following services to staff relocating from overseas as part of the reimbursable relocation expenses covered in section 3:

- support for initial work visa application
- consultation with an independent tax advisor regarding Australian taxation and superannuation arrangements.

6.2. The department hiring the employee will ensure the prospective employee provides proof of eligibility to work in Australia. This would include one of the following:

- an Australian passport
- an Australian citizenship certificate
- a certificate of evidence of Australian citizenship
- a valid visa with permission to work (checked through Australian Government website)
- a full Australian birth certificate for a person born before 20 August 1986
- a full Australian birth certificate for a person born on or after 20 August 1986, showing that at least one parent was born in Australia.

All prospective employees not able to provide proof of work rights as outlined above will need to obtain an appropriate visa prior to taking up their new appointment. This process can be commenced through contacting the local human resources representative and with reference to the [Pre-employment Procedure](#).

## 7. Allocation of relocation costs

7.1. The department hiring the employee will cover the relocation assistance costs under the oversight of the relevant faculty, graduate school or division.

7.2. Where more than one person within a family unit is employed by the University and the family relocates at the request of the University, the family must submit a single claim for reimbursement of joint relocation expenses. The relocation costs may be split equally across the relevant faculty/graduate school/division cost centres where there is prior agreement to share the costs.

## 8. Fringe benefits tax implications of relocation assistance

8.1. Heads of budget divisions will consult with the Finance and Planning Group regarding fringe benefits tax implications prior to offering to cover costs for any reimbursable expenses not outlined in section 3.3.

## 9. Initiation of relocation services prior to commencement

9.1. Employees may initiate their own travel arrangements or, alternatively, the hiring department will nominate a University staff member to initiate travel services on behalf of the employee.

9.2. A local human resources representative will initiate the following relocation services as required:

- settlement and orientation services (costs for these services will be specified in advance of being provided to ensure the limitations outlined in section 3.2 can be managed)
- assistance with applicable work visa applications
- taxation advisory services for international transferees only.

## 10. Payment of relocation assistance

10.1. Travel expenses may either be organised and paid directly by the hiring department or paid by the employee and reimbursed upon provision of official receipts.

10.2. For relocation costs other than travel, settlement and orientation services and international support services, the employee must apply for reimbursement by submitting the following information to the local business centre finance officer within 12 months of commencement:

- Relocation Reimbursable Expense Claim Form detailing all reimbursable relocation expenses
- all relevant paperwork and official receipts
- a copy of the relocation clause from their contract of employment
- a copy of the deduction authority in accordance with section 12.

10.3. In cases where the University has offered an incidental allowance under section 4, the hiring department will advise the payroll team within Human Resources when the employee commences so that the incidental allowance can be paid in the next full pay period.

10.4. Providers of settlement and orientation services will invoice the relevant faculty, graduate school or division for the pre-determined standard service.

10.5. Providers of international support services (i.e. visa applications and taxation advice) will invoice the relevant faculty, graduate school or division for the service.

## 11. Record keeping for reimbursable relocation expenses

11.1. The University's contribution towards an appointee's relocation and establishment expenses may be considered by the Australian Tax Office as taxable income. The University will keep receipts for reimbursed expenses.

11.2. Employees must keep receipts for expenses not reimbursed, to be submitted to the Taxation Office if necessary.

## 12. Recovery of relocation assistance for early terminating employees

12.1. All employees who are offered relocation assistance must sign a deduction authority prior to receiving any relocation assistance. The deduction authority will authorise the University to deduct an amount calculated in accordance with the formula outlined in section 12.4 from any monies owing to the employee at the time of termination.

12.2. Heads of budget divisions will ensure that the prospective employee has signed the deduction authority before any relocation assistance is provided.

12.3. Heads of budget divisions must notify the payroll team within Human Resources immediately if an employee who has received relocation assistance terminates employment within their initial 2 years of appointment. This is to ensure the correct final pay details can be organised. This notification is necessary even if relocation costs are not to be recovered.

12.4. The formula for recovery of relocation assistance is:

Total amount of relocation assistance offered

multiplied by

the number of uncompleted months in the required 24-month period

divided by

the total number of months required (i.e. 24)

e.g. An employee is provided with relocation assistance to the value of \$10,000 and resigns after 15 months of employment. The calculation would be  $10,000 \times 9 / 24 = 3,750$ . The employee would be required to pay \$3,750 to the University.

## RELATED DOCUMENTS

- [Human Resources website](#)
- [Finance & Planning Group Relocation Expenditure website](#)
- [Placement, Redeployment and Redundancy Arrangements Procedure - Professional Staff](#)
- [Probation and Confirmation Procedure](#)
- [Recruitment and Appointment Policy](#)
- [Relocation Policy](#)
- Relocation Reimbursable Expense Claim Form
- [Staff Induction Procedure](#)
- [Transfer, Secondment and Exchange Procedure](#)
- [University of Melbourne Collective Agreement 2010](#)

## DEFINITIONS

Term	Definition
<b>family</b>	Includes the employee's partner and any dependent children under the age of 18 years or 25 years if a full-time student at a secondary or tertiary institution.
<b>partner</b>	The employee's recognised spouse, de facto or same sex partner.

## RESPONSIBLE OFFICER

The Executive Director, Human Resources is responsible for the development, compliance monitoring and review of this procedure and any associated guidelines.

## IMPLEMENTATION OFFICER

The Director, HR Specialist Services, Human Resources is responsible for the promulgation and implementation of this procedure in accordance with the scope outlined above. Enquiries about interpretation of this policy should be directed to the implementation officer.

## REVIEW

This procedure is to be reviewed 30 November 2014.

## VERSION HISTORY

<b>Version</b>	<b>Approved By</b>	<b>Approval Date</b>	<b>Effective Date</b>	<b>Sections Modified</b>
1	Senior Vice-Principal	10 Sep 2013	10 Sep 2013	N/A