

## Dual Employed (UW and UWMF) Faculty Relocation Guidelines

These guidelines are related to Policy SMPH-3020 – Faculty Relocation for Clinical Departments. This document is intended to provide guidance on the process for the relocation stipend payments.

### General Guidelines

- The stipend is paid to the faculty member not more than 30 days prior to their relocation date (not hire date).

### Employee Responsibilities

- Obtain the “Authorization Letter” from the hiring department. The letter approves the payment and outlines the amount of funding for a stipend. A sample relocation letter is available here: <https://businessservices.wisc.edu/documents/relocation-authorization-letter/>
- Work with the hiring department on all payment requirements.
- Discuss the payment of a stipend for moving costs early with the hiring department. This stipend cannot be paid more than 30 days in advance of the move.
  - Employees are responsible for assuring that taxes are withheld at the time the E-reimbursement is made otherwise taxes will be withheld on the employee paycheck as stated in [Fringe Benefit Tax Reporting](#) with no exceptions.
  - 30% tax should be withheld on all relocation expenses as recommended by Payroll and the Tax Compliance and Reporting Office.
  - The tax withholding can be estimated at the time of the stipend payment or calculated and withheld on their actual paychecks once their employment begins. See the Fringe Benefit link above for details on how the taxes are calculated and withheld.

### Payment of Stipend

- The stipend is paid using the University’s E-reimbursement process.
  - The individual should use their employee profile, selecting “Relocation” for the Business purpose and ‘Relocation – Stipend’ as the Expense Type. For more details, refer to the Division of Business Services webpage (<https://businessservices.wisc.edu/documents/how-to-process-relocation-expenses/>).
  - Effective January 1, 2020 when relocations (fringe benefits) are paid through E-Reimbursement, the employee claimant can have estimated tax withheld from the E-reimbursement payment instead of the taxes being withheld at the end of the payment month from their paychecks.
- The advance payment of an employee relocation stipend does not require receipts (employees are advised to retain all receipts for personal tax filing purposes) but requires the authorization letter be attached to the e-reimbursement request.

### **Exception Process for amount greater than policy limit**

- If a department wants a stipend greater than the policy limit, the Department and the Dean's Office Fiscal team shall be involved in approving the exception.
  - Examples include, but are not limited to: moving two households, spousal recruitments with different start dates, etc.
  - Exception process requires quotes and approvals from
    - Hiring department
    - UW Health Practice Plan VP or Medical Director
    - SMPH Chief Financial Officer
    - or Designee