Employee SMPH Relocation Guidelines

These guidelines are related to policies UW-3079 (Relocation) and 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 employee not more than 30 days prior to their relocation date (not hire date).
* The payment will be made through payroll and in most cases will be reflected on the employee’s first paycheck if their move occurs within 30 days of their start date.
  + In extenuating circumstances where the move will cause financial hardship for the new employee, payment through e-reimbursement is an option.

**Approval Requirements of Stipend**

* All faculty – the approval by SMPH CFO will be given through the offer letter review process. The Relocation Authorization Form is not required.
* All other employees (non-faculty) – request will be submitted through Docusign to the SMPH CFO using the Relocation Authorization Form
  + Docusign should be sent to Heidi Conrad, SMPH CFO, for signature.
  + HR Business Partner or Faculty Recruiter should be added as a recipient to receive a copy once signed.

# Payment of Stipend

* The payment for the stipend is done through payroll. The stipend will be paid to the employee dependent on relocation date:
  + Employee moved prior to start date = stipend will be paidon the first paycheck of employment
  + Employee moves after their start date = stipend will be paid on the paycheck that is no more than 30 days prior to their move date~~.~~
* Employees federal and state income tax withholding will be calculated based on their tax withholding elections.

# Exception Process for Payment of Stipend in Advance of Start Date

* If it is determined that the stipend should be paid in advance of the start date due to financial hardship, the stipend will be 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 UW Policy 3079, section III B on Processing a Relocation Stipend via e-Reimbursement. https://businessservices.wisc.edu/documents/3079-1-processing-a-relocation-stipend-procedure/
  + 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 (faculty) and Relocation Authorization Form be attached to the e-reimbursement request.

# Employee Responsibilities:

* + If the employee requests the stipend in advance of the start date (paid using the University’s E-reimbursement process),
    - 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](https://businessservices.wisc.edu/accounting/tax-compliance-and-reporting/fringe-benefits/) 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.

# Exception Process for Amount Greater than Policy Limit for Dual Employed Faculty

* 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 approvals from
    - Hiring department
    - UW Health Practice Plan VP or Medical Director
    - SMPH Chief Financial Officer
    - Or Designee