



Administrative Regulations

Office of the Mayor

Title: RELOCATION ASSISTANCE POLICY

A.R. Number: 5.25 Effective Date: 5/15/2023 Page: 1 of 6

Supersedes: N/A A.R.: N/A DATED: N/A

I. PURPOSE

The City of Richmond recognizes that, to attract best qualified employees, it may be appropriate to provide relocation assistance as a benefit to the incumbent when their acceptance of city employment requires a move of residence. The purpose of this policy is to standardize how the city provides relocation assistance and outline the eligible circumstances and conditions for this benefit.

II. POLICY

To accommodate relocation arrangements, the City of Richmond may cover related expenses under the following conditions.

A. **Eligible Individuals** – To be eligible for relocation assistance, the following criteria must be met.

1. New Employees

- i. The employee must be a new hire in a permanent and full-time position at the deputy department director level or above, an employee in a key or challenging position to recruit and retain as defined by the Department of Human Resources, or an employee filling a position with a residency requirement.
- ii. The employee must be relocating from a distance greater than fifty (50) miles to be within a reasonable commuting distance to the city. This clause may be waived for employees relocating for a position with a residency requirement.
- iii. The employee must request reimbursement for all eligible relocation expenses within twelve (12) months from the effective date work begins in the new location.

2. **Family members of eligible employees** – Family members relocating under this policy include the employee's spouse and dependents. Family members are eligible only if they resided with the employee at the time the position was offered and will reside with the employee in the new residence.

B. **Eligible and Ineligible Expenses** – Certain relocation expenses incurred by the employee and their family members are eligible for reimbursement and some are not. Guidance on eligible and ineligible expenses for relocation assistance reimbursement shall be provided by the Department of Human Resources (HR).



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- C. **Relocation Assistance Limits** – Relocation assistance may include reimbursement allowances, home sale assistance, and temporary housing assistance that are reimbursable according to a schedule and maximum limits determined by HR in consultation with the Chief Administrative Officer.
- D. **Conditions of Relocation Assistance**
1. No relocation expense reimbursement will be made prior to the acceptance of the offer letter detailing the terms and conditions of relocation assistance.
 2. In accordance with all applicable federal and state law, the reimbursement of all relocation expenses shall be treated as taxable wages and subject to the U.S. Internal Revenue Service tax withholdings.¹
 3. If an employee voluntarily leaves city employment for any reason or is involuntarily terminated within two years of the employee's date of hire or transfer, the employee will be required to reimburse the city for the relocation assistance received. HR and/or the appointing authority must notify the employee in their offer letter and at the time of their separation of the repayment obligation under this policy. Reimbursement of relocation assistance upon separation shall occur as follows:
 - i. If separation occurs on or prior to the first anniversary of the employee's date of hire or transfer, the employee must reimburse the city one-hundred (100) percent of the relocation assistance provided.
 - ii. If separation occurs after the first anniversary of the employee's date of hire or transfer, but prior to the second anniversary of the employee's date of hire or transfer, the employee must reimburse the city fifty (50) percent of the relocation assistance provided.
 - iii. If an employee has different repayment terms in an offer letter, the terms in the offer letter terms shall prevail over this Section.

¹ For IRS tax years beginning in 2018, reimbursements for certain moving expenses are no longer excluded from the gross income of non-military taxpayers (<https://www.irs.gov/individuals/international-taxpayers/moving-expenses-to-and-from-the-united-states>).



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- iv. Any reimbursement due under this Section II.D. must be remitted to the city within thirty (30) days of the employee's separation.

III. PROCEDURE

- A. **Expense Documentation and Payment** – Each eligible employee is responsible for obtaining original receipts and other documents that are necessary to support claims for reimbursement. Receipts must be submitted along with the appropriate paperwork to be provided by HR. Expenses submitted for reimbursement must be actual, reasonable, necessary, and within the guidelines of this policy.
- B. **Sale of Primary Home** – Employees in positions at the department director or deputy director-level or higher are eligible for reimbursement for expenses associated with the sale of a primary home.
 1. The employee will obtain a bona fide appraisal from professional, credentialed appraisers on their primary residence. The city shall pay the cost of the appraisal if a fee is incurred. The appraisal shall be submitted to the city for review and approval.
 2. Upon approval, eligible expenses from the home sale may include sales commissions, normal and reasonable closing costs, points (if any), and any loss on the eventual sale. The city will pay one-hundred (100) percent of this amount up to a maximum determined by HR for the position. Pre-approval by the city is required prior to the house being sold at less than the appraised value as determined above.
 3. Carrying costs incurred on the house after the employee's relocation may be considered eligible expenses. These costs may include mortgage payments, taxes, insurance, utility bills, yard maintenance, pest control, and "fixing-up" expenses (to make the house sellable), related to the sale or maintenance of the property. Any "fixing-up" costs shall be approved by the city prior to the expense being incurred. Costs incurred for these expenses shall be part of the home sale assistance maximum reimbursement amount determined by HR for the position.
 4. A monthly report indicating the reimbursements made and a final report upon sale of the house shall be provided to HR.
 5. The city is not responsible for payments of any penalties, fees, taxes, and other costs related to the post sale of the employee's primary home.



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- C. **Temporary Housing Assistance** – An employee who receives temporary housing as part of their relocation assistance must provide notice to their department no later than fifteen (15) days after the employee takes occupancy of a permanent residence. Failure to provide notice in accordance with this section may subject the employee to disciplinary action in accordance with the city’s administrative regulations. The city reserves the right to take action to obtain reimbursement from the employee for all temporary housing assistance provided for the period after the employee had taken occupancy of a permanent residence.
- D. **Tax Withholdings** – Applicable employment taxes will be withheld at the current supplemental rate and be reported on the annual Form W-2 in accordance with payroll standard procedure.

IV. RESPONSIBILITY

Appointing Authorities and/or Department Heads – Appointing authorities/department heads or designee are responsible for negotiating and approving the terms of relocation assistance in accordance with this policy, reviewing and approving reimbursement, and obtaining the required documentation and approval as specified by HR.

Chief Administrative Officer – The Chief Administrative Officer shall have final authority over the terms and conditions of relocation assistance offered pursuant to this policy and any exceptions granted.

Department of Human Resources (HR) – HR is responsible for oversight and administration of this policy. HR is responsible for providing guidance in the recruitment and hiring process, including the negotiation of relocation assistance and home sale process. HR is the central repository for forms and procedures required to comply with this policy and shall provide them to appointing authorities and departments as needed.

Employees – Employees are responsible for maintaining documentation of their eligible relocation expenses and providing them in accordance with the maximum limits and timeframes pursuant to their offer letter and this policy.

V. DEFINITIONS

Family – The employee’s spouse and dependents who reside with the employee at the time the position was offered and will reside with the employee in the new residence.



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Primary Home – The employee’s main residence in one location, either in the geographic area prior to employment or their relocation area. Primary home does not include any secondary properties or vacation homes.

Relocation – An employee’s move of primary residence from a distance greater than fifty (50) miles to be within a reasonable commuting distance to Richmond necessitated by their acceptance of city employment.

Temporary Housing – Housing needed to cover the time between when the employee relocates to begin the new position to the time the employee takes occupancy of a permanent residence, such as in the case of a pending home sale.



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VI. REGULATION UPDATE

Modifications to this policy shall be the responsibility of the Department of Human Resources under the advisement of the Chief Administrative Officer.

Approval


CHIEF ADMINISTRATIVE OFFICER


MAYOR