

Relocation Policy: Frequently Asked Questions

1. Can I offset my relocation and removal allowances against each other?

Your removal allowance is a fixed sum - £2,000.

Your relocation allowance is 10% of your gross salary on joining the University.

Your removal allowance can help with the cost of moving your household furniture and effects to your new accommodation. If your removal costs are less than your removal allowance, the remainder cannot be used for other relocation purposes.

If your removal costs exceed your removal allowance, you may offset your additional removal costs against any unused relocation allowance – up to the maximum of your relocation allowance.

Example 1

Salary is £40,000 and relocation allowance is £4,000.

Relocation costs are £5,000, which is £1,000 more than the relocation allowance.

Removal allowance is £2,000 and removal costs are £1,500, leaving £500 available.

In this case the additional relocation costs cannot be offset against the removal allowance as this may be used for removal purposes only.

Example 2

Salary is £40,000 and relocation allowance is £4,000.

Relocation costs are £3,500, leaving £500 available.

Removal costs are £2,600 which is £600 more than the removal allowance.

£500 of the additional removal costs may be offset against the £500 remaining on the relocation allowance.

2. I am eligible for an international allowance in addition to my relocation and removal allowance. Can I offset my international and removal / relocation allowances?

Your international allowance is a fixed sum - £4,000

Your removal allowance is a fixed sum - £2,000.

Your relocation allowance is 10% of your gross salary on joining the University.

Your international allowance can help with the cost of moving from outside of the UK. It can be used to help with costs such as travelling to the UK, visas and the NHS surcharge for you and members of your immediate family (partner, children) who are relocating with you. International removal costs are dealt with separately by the relocation allowance. If your international costs are less than your international allowance, the remainder cannot be offset for other relocation or removal costs.

If your international costs exceed your international allowance, you may offset the additional international costs against any unused relocation allowance – up to the maximum of your relocation allowance. You cannot offset the costs against your removal allowance as this is for removal expenses only.

Example 1

International costs are £5,000 which is £1,000 more than the allowance.

Removal costs are £3,000 which is £1,000 more than the allowance.

Relocation costs are £2,000 which is £2,000 less than the allowance.

In this case the additional international and removal costs can be offset against the available £2,000 relocation allowance.

Example 2

International costs are £3,000 which is £1,000 less than the allowance.

Removal costs are £1,000 which is £1,000 less than the allowance.

Relocation costs are £6,000 which is £2,000 more than the allowance.

In this case the additional relocation costs cannot be offset against the available international and removal allowance.

3. Will deductions for tax and national insurance be made from my removal / relocation allowance?

The tax and national insurance arrangements are the same for removal and relocation. Different arrangements are in place for the international allowance.

If your claim for removal and relocation costs is made and paid before the end of the tax year (which is the year ending 5th April) following the year in which you commenced your role, the first £8,000 of your combined removal and relocation allowance may be paid without deduction for tax and national insurance. There are some exceptions to this arrangement– for example, see questions 6 and 7. Any allowance paid over this threshold or after this timeframe will be treated as income and subject to deductions for tax and national insurance at the appropriate rate.

If you become eligible for a removal and relocation allowance due to the extension of your fixed term contract or because of a change of location for your role, any payments made after the end of the tax year (5th April) following the year in which your employment began, will be treated as income and subject to deductions for tax and national insurance.

4. Will deductions for tax and national insurance be made from my international allowance?

The tax and national insurance arrangements are different for your international allowance and removal / relocation allowance.

If you are relocating from outside of the UK, you will **not** pay tax and national insurance on your international allowance if:

- you have not been resident in the UK in the 2 years ending 5th April prior to you taking up your role; and / or
- you have not been in the UK for any reason at any time in the two calendar years prior to starting your role.

If you answer yes to both of these questions, any international payments made to you will be treated as income and subject to deductions for tax and national insurance.

If you offset some of your international costs against your relocation allowance (see 2 above) these will be treated in the same way as costs set against your international allowance for tax purposes. This means that all payments made in relation to your international costs will either be exempt from or subject to deductions for tax and national insurance.

5. Will the costs of my rental accommodation be covered and will they be subject to tax and national insurance?

We may pay the cost of your rental accommodation for up to 8 weeks if you meet the following criteria:

- the costs can be covered by your relocation allowance and
- you are actively looking to purchase a property in the Loughborough area (or London area if based at our London campus or your new role is split role across both sites).

If you are not actively seeking to purchase a property, please consult your HR Team to check whether we will pay for your rental accommodation. If we do, the payment may be subject to deductions for tax and national insurance.

Your relocation allowance is intended to help with the additional costs that you incur due to relocation.

6. Will the costs of my house purchase be covered and will they be subject to tax and national insurance?

If you purchase a house close to work but your main home is elsewhere – for example you return to your family home at weekends, under HMRC rules all of your relocation payments may be subject to deductions for tax and national insurance.

7. If both my partner and I are relocating and we both work for the University, will we both receive a relocation allowance?

Yes, you will both be eligible for reimbursement of relocation costs in accordance with the University's policy. However, you cannot claim for the same expense twice. You may therefore decide to split your costs 50/50 or divide the costs between your claims. You should make it clear in your claim whether you are claiming a full or part cost, as should your partner.

8. What items can I claim for in my new home?

You can claim reasonable costs for larger essential items that are not provided in your accommodation or are not fit for purpose. This may include larger items of furniture such as a wardrobe, bed, and soft furnishings such as sofas, carpets and curtains as well as substantial electrical goods such as a fridge or washing machine. Items such as televisions and computers are not considered to be essential for the purpose of the policy. Smaller items such as kettles and toasters are not covered by the policy.

9. Can I pick any removal firm I want?

To ensure good value for money we would suggest you obtain quotes from two removal companies. We will pay the cost against the removal allowance, however if you have not used all of your relocation allowance, you may offset your additional removal costs against your unused relocation allowance - see question 1.

10. What can I claim if my belongings go into storage?

You can claim for the storage costs against your removal allowance.

11. Can I submit more than one claim?

You can make a claim each time you incur relocation costs, provided that these meet the criteria for repayment set out in the Relocation Policy.

12. Will the University pay for my costs directly?

You should pay the costs yourself and then make a claim to the University. You don't need to wait till your relocation is completed to make a claim. You can make more than one claim – this way you can claim for costs as they arise.

13. When will my claim be paid?

Once your claim has been processed, it will be paid with your salary. The cut-off for salary payments is early in the month so sometimes you may send the claim in one month and receive the payment in the next. We will write to you to let you know when your claim will be paid, how much you will be paid and whether this will be subject to deductions for tax and national insurance.

14. I am moving within the UK. Can I claim for my visa costs?

Visa and related immigration costs are only covered for staff joining the University from outside the United Kingdom.

15. How close to the University do I need to move to make a claim?

You must move from outside a 30-mile radius to take up a new appointment at the Loughborough campus or 20 miles for the Loughborough University London campus and your move must be in accordance with the principles of the Relocation expenses policy which is aimed at supporting staff to locate closer to their place of work thus reducing the travel distance between your home and the University.