

## RELOCATION ALLOWANCE AND MOVING EXPENSE PROCEDURE

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

<b>Functional Category:</b>	Human Resources
<b>Parent Policy:</b>	Compensation Policy
<b>Approval Date:</b>	September 1, 2019
<b>Effective Date:</b>	September 1, 2019
<b>Procedure Owner:</b>	Vice President, People
<b>Procedure Administrator:</b>	Senior Manager, Talent

### Overview:

NorQuest College (college) recognizes that in order to attract employees for certain positions, there may be a need to provide a moving expense allowance or provide for a reimbursement of moving expenses.

The policy is designed to work together with the Canada Revenue Agency (CRA) form and information entitled T1-M Moving Expenses Deduction which is available at the following link: [Canada Revenue Agency: T1-M Moving Expense Deduction](#).

Any allowable moving expenses not reimbursed may be claimed as a deduction in calculating personal income taxes as specified on the Form T1-M.

Authority to establish this procedure is derived from the [NorQuest College Board of Governor's Policy No. 5](#), which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

### Procedures:

A moving allowance or reimbursement of moving expenses for new hires is a benefit that is determined and pre-approved on a case by case basis. Not all new hires will qualify to receive this benefit.

Where a moving allowance or reimbursement of moving expenses is contemplated, the following will apply:

- Details are to be included in the offer letter.
- The **relocation allowance** will be based on the geographical location that the employee is moving from. The employee does not have to provide the college with a detailed account of expenses; however, tax will be deducted from the allowance and the amount will be reported as compensation on the employee's T4.
- Where a **moving expense** reimbursement is pre-approved, the employee will be required to provide the college with a detailed account of all moving expenses on a college expense claim form, supported by original receipts. Eligible reasonable expenses will be reimbursed subject to the maximum amount specified in the offer letter.
- In the event that an employee voluntarily terminates employment from the college, within 24 months of being hired, the employee will return one-twenty-fourth of the allowance or reimbursement received for each month that the employee is short of the full 24 months.
- Eligible moving expenses are defined by the Canada Revenue Agency. Eligible allowances and expenses that not are reimbursed

may be claimed on the new employee's income tax return as indicated in the CRA instructions for completing the Form T1-M.

- Where an employee has been pre-approved for reimbursement of moving expenses, the reimbursement will be based on reasonable travel expenses in accordance with the rates established in the [Travel and Related Expenses Procedure](#) unless otherwise specified.
- The recommended relocation allowance or moving expense reimbursement maximum amounts are:

Province of	Maximum Amount
Alberta, British Columbia, Saskatchewan	\$3,500
Manitoba, Ontario, Quebec	\$5,500
Other Locations in Canada & US	\$7,500

- Outside of these locations, relocation allowance or moving expenses reimbursement amounts will be negotiated.
- An Executive Head may approve a change to the maximum amount recommendation for unique recruitment situations.

Reimbursement for reasonable moving costs may be considered for the following, subject to the pre-approved total maximum reimbursement amount:

- House hunting trip including cost of travel by the most economical means for the employee and their spouse or benefit partner, meals, personal expenses, GST and the cost of accommodation for a maximum of five (5) days.
- Costs associated with moving of household effects including packing and insurance.
- Public transportation costs or automobile expenses if the employee uses their own private vehicle for transporting their immediate family from the principal residence to the new location and meals while on route to the new location.
- Cost of temporary accommodation, per diem meal allowance and personal expenses for the employee and meals for each member of the family for a period of up to 14 days.
- Cost of storage of household effects for a maximum period of 14 days.
- Cost of legal expenses associated with buying and/or selling the candidate's principal residence.
- Discretionary expenses such as a mortgage penalty fee, duplicate housing costs, interim finance charges or kennel costs for a period of up to 14 days.

**Definitions:**

**Relocation Allowance:** is a negotiated lump sum payment to assist a new employee with their move to a NorQuest College location as a result of an offer of employment.

**Moving Expenses:** are reasonable moving expenses (as defined by CRA in the form T1 (M E)) to assist a new employee with their move to a NorQuest College location as a result of an offer of employment.

**Related NorQuest College Information:**

- [Compensation Policy](#)
- [Recruitment and Selection Policy](#)
- [Travel and Related Expenses Procedure](#)

**Related External Information:**

- [Canada Revenue Agency: T1-M Moving Expense Deduction](#)



**Next Review Date:**

June 2023

**Revision History:**

July 2014: new

August 2019: Compliance Office template & reorganization update