

Chapter 7 - Relocation

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Employee Moving and Relocation Reimbursement Conditions

References: [Government Code 19841](#), [California Code of Regulations \(CCR\), Administration, Title 2 Sections 599.714 and 599.714.1](#), and [Bargaining Unit Contracts](#)

OVERVIEW

Moving and relocation allowances for state employees are subject to the provisions and limitations cited in California Code of Regulations (CCR) Sections 599.714 and 599.714.1.

Eligible employees will be provided with a detailed moving and relocation package from the Division of Accounting's Travel Policy Section upon receipt of an "Employee Relocation Fact Sheet", Form [ASC-3001](#).

Most moving and relocation payments are classified as fringe benefit payments and upon payment will be immediately reported as taxable income to the employee.

The department cannot pay for or reimburse employees for the cost of transportation to and from the employee's work headquarters and their residence including a location where the employee lived prior to accepting a new position and reporting to a new headquarters.

HIRING MANAGER RESPONSIBILITIES

Request an employee relocation package from the Division of Accounting's Travel Policy Section by submitting a completed "Employee Relocation Fact Sheet" Form [ASC-3001](#). This package provides the employee with the applicable relocation reimbursement rules and allowances, a list of moving companies, and important information regarding taxable payments.

Review the hiring conditions in the applicable section below. The new position classification and designated bargaining unit determines if CCR 599.714 or 599.714.1 applies. The circumstances of the transfer must meet the conditions of the applicable section to qualify the employee for reimbursement of moving and relocation expenses.

Ensure prompt authorization of the "Moving Service Authorization" Form [ASC-255](#). This form provides the Division of Accounting with the authority to process expense claims and allows the employee to make moving arrangements directly with a household goods mover from the State List of Eligible Household Carriers.

CCR 599.714 HIRING CONDITIONS

Applicable to: Represented Classifications in Bargaining Unit 9 & 12

Whenever a permanent employee is required by any appointing power because of a change in assignment, promotion or other reason related to his or her duties to change his or her residence, the employee shall receive reimbursement of his or her actual and necessary moving and relocation expenses incurred both before and after and by reason of such change of residence, subject to the provisions of this section.

For the purposes of this section, a move occurs on the official reporting date to the new headquarters, and a change in residence is deemed reasonably to be required when the following conditions are met:

1. The employee's officially designated headquarters is changed for the advantage of the State, and the following conditions are met:

Promotion offered by any appointing authority; or

Non-promotional transfer deemed to be in the best interest of the State by the employee's appointing authority; or

Transfer of an employee by his or her or another appointing authority in lieu of a layoff of the employee.

2. The normal commute distance must be as designated between the following locations:

At least 56 kilometers (35 miles) between the old and new headquarters; and

At least 56 kilometers (35 miles) between the old and new residence; and

At least 56 kilometers (35 miles) between the old residence and the new headquarters; and

The new residence shall not be farther from the new headquarters than the old residence is from the new headquarters.

A change of residence is not deemed reasonably to be required for voluntary non-promotional transfers in response to general requests which specify that moving and relocation expenses will not be paid, or for any non-promotional transfer when primarily for the benefit of the employee.

Reimbursement for moves that do not conform to the established criteria may be granted when the Director of the California Department of Human Resources (CalHR) has determined in advance that the employee will be subject to unusual or unavoidable hardship by reason of the change of residence.

CCR 599.714.1 HIRING CONDITIONS

Applicable to: Non-Represented (Excluded) and Represented Classifications in Bargaining Units 1, 2, 4, 7, 10, 11, 14, 15, and 21

Whenever a permanent state employee is required by any appointing power because of a change in assignment, promotion or other reason related to his or her duties to change his or her residence, the employee shall receive reimbursement of his or her actual and necessary moving and relocation expenses incurred both before and after and by reason of such change of residence, subject to the provisions and limitations of this section.

For the purposes of this section, a move occurs on the official reporting date to the new headquarters, and when a change in residence is reasonably to be required. Relocation shall be paid when the following conditions are met:

1. The employee's officially designated headquarters is changed for the advantage of the State, which includes the following:

A promotion offered by any appointing power, not including those movements that the employee could make through transfer, reinstatement or reemployment eligibility; or

An involuntary transfer initiated by and at the discretion of the appointing authority;

Any involuntary transfer required to affect a mandatory reinstatement following:

Termination of a career executive or exempt appointment.

Leave of absence.

Rejection from probation.

Any involuntary transfer required to affect a mandatory reinstatement following the expiration or involuntary termination of a temporary appointment, limited term appointment or training and development assignment when:

The employee did not relocate to accept the appointment or assignment, or

The employee did relocate, at State expense, to accept the appointment or assignment.

2. The move must be a minimum of 50 miles plus the number of miles between the old residence and the old headquarters.

Relocations that meet the above criteria will be fully reimbursed to the extent and limitations in this section. However, a change of residence is not deemed reasonably to be required for voluntary transfers, permissive

reinstatements with or without a salary increase, in response to general requests which specify that moving and relocation expenses will not be paid, or for any non-promotional transfer which is primarily for the benefit of the employee.

When an appointment does not meet the criteria outlined in 1 and 2 above, the appointing power may, at his or her discretion, determine in advance that it is in the best interest of the State to reimburse all or part of the actual reasonable and necessary relocation expenses provided in this section as an incentive to recruit employees to positions that are designated by the appointing power as difficult to fill or because of outstanding qualifications of the appointee, or due to unusual and unavoidable hardship to the employee by reason of the change of residence.

Relocations that meet these criteria shall be reimbursed only for the items in this section that are specifically authorized by the appointing power and may be subject to further limitations designated by the appointing power. Upon determination that any reimbursement will be made, the appointing power shall:

Determine which provisions will apply to the relocation and establish any additional limitations to those provisions such as dollar limits, weight limits or time limits.

Notify the employee, in writing, of specific allowable reimbursements prior to the move.

Requirements and limitations specified in this article may not be waived or exceeded by the appointing power. Unauthorized relocation expenses and relocation expenses incurred prior to the receipt of a written notice of allowable relocation expenses are the responsibility of the employee.

Employee Moving and Relocation Expense Allowances

References: [Government Code 19841](#), [Bargaining Unit Contracts](#), and [California Code of Regulations \(CCR\), Administration, Title 2 Sections as noted below](#)

OVERVIEW

The following sections provide a brief outline of moving and relocation expense allowances. All reimbursements are subject to the limitations and timeframe of the referenced California Code of Regulations (CCR) sections. Employees authorized for moving and relocation expenses must be provided with a detailed moving and relocation package prior to transfer. See Hiring Manager Responsibilities for instructions.

Relocation expenses not authorized by the referenced CCR sections, applicable Bargaining Unit Contracts, or any expenses incurred prior to receipt of a written notice of authorization are the responsibility of the employee. The official written notice of transfer is the "Moving Service Authorization" Form [ASC-255](#).

If as a result of the change in residence the salary of the employee is paid by a different appointing power, all allowable moving and relocation expenses will be paid by the new appointing power except in cases where the old appointing power agrees to pay all or part of the expenses allowable under this section.

Certain moving and relocation payments made to an employee must be reported to the State Controller's Office (SCO) and may be subject to payroll taxes. See Chapter 17 - Tax Withholding and Reporting Requirements for more detail.

The department cannot pay for or reimburse employees for the cost of transportation to and from the employee's work headquarters and their residence including a location where the employee lived prior to accepting a new position and reporting to a new headquarters.

LODGING, MEALS AND INCIDENTALS

References: CCR 599.721 and 599.722

Lodging, meals and incidentals may be reimbursed in accordance with the provisions of the referenced CCR sections as determined by the applicable Bargaining Unit Contract, not to exceed 60 days of reimbursement while locating a permanent residence at the new location only. The 60 days are not required to be consecutive; partial day reimbursements count towards the 60-day maximum. The allowance terminates immediately upon establishment of a

permanent residence. The Department shall determine when a permanent residence has been established.

A permanent residence may be defined as, but not limited to, an apartment, townhouse, condominium or single family residence (purchase or rental). CCR defines the establishment of a permanent residence by criteria such as the establishment of utilities, mail delivery, and the movement of household goods.

SHIPMENT OF HOUSEHOLD GOODS

References: CCR 599.718, 599.718.1, 599.719 and 599.719.1

Reimbursement shall be allowed for the cost of moving an employee's effects, not to exceed 11,000 pounds, via commercial carrier or by the employee. Moves exceeding 11,000 pounds up to 23,000 pounds require additional appointing power approval. For more information, see Chapter 14 - Moving and Relocation.

MILEAGE

References: CCR 599.722

Mileage reimbursement is limited to one-way and one-time between the old location and the new location. There is no authority to pay for any other type of employee transportation cost while relocating. Return trips to the old location or residence cannot be paid for by the State.

The department cannot pay for or reimburse employees for the cost of transportation to and from the employee's work headquarters and their residence including a location where the employee lived prior to accepting a new position and reporting to a new headquarters.

SALE OF RESIDENCE

References: CCR 599.716 and 599.716.1

The employee shall be reimbursed only for actual and necessary selling costs for that portion of a dwelling that the employee actually owns and occupies, as determined by prevailing practices within the area of sale.

To be reimbursed for sale of residence, employee must meet hiring conditions listed under CCR 599.714 and 599.714.1. Including the distance test as described below:

CCR 599.714 applicable to: Represented Classifications in Bargaining Units 9 & 12

The normal commute distance must be as designated between all of the following locations:

At least 56 kilometers (35 miles) between the old and new headquarters; and

At least 56 kilometers (35 miles) between the old and new residence; and

At least 56 kilometers (35 miles) between the old residence and the new headquarters; and

The new residence shall not be farther from the new headquarters than the old residence is from the new headquarters.

CCR 599.714.1 applicable to: Non-Represented (Excluded) and Represented Classifications in Bargaining Units 1, 2, 4, 7, 10, 11, 14, 15, and 21

The move must be a minimum of 50 miles plus the number of miles between the old residence and the old headquarters.

SETTLEMENT OF A LEASE

References: CCR 599.717 and 599.717.1

Employees shall be reimbursed for settlement of a lease, up to a maximum of one year, if the employee did not enter into a lease agreement knowing a transfer was imminent.

MOVEMENT OF A TRAILER COACH

References: CCR 599.720 and 599.720.1

Reimbursement for the cost of moving an employee's trailer coach which contains the household effects of the employee and has served as the employee's residence at the previous location at the time of notification of relocation.

MISCELLANEOUS EXPENSES

References: CCR 599.715 and 599.715.1

Reimbursement for miscellaneous expenses, up to a maximum of \$200, related to the dissolution of the old household and/or establishment of the new household.

New Hire Relocation

References: [California Code of Regulations \(CCR\), Administration, Title 2 Sections 599.723 and 599.723.1](#) and [California Department of Human Resources \(CalHR\) PML 98-061](#)

OVERVIEW

New hires include persons who have never had a permanent appointment with the state and prior permanent employees who are reinstating after a permanent separation from state service. It is critical that all persons who are in a position to offer and/or discuss relocation reimbursements for new hires understand the provisions and limitations of the new hire relocation program.

Relocation reimbursement for new hires may be justified in cases where the appointing power certifies that such expenditure is necessary in order to recruit qualified persons into state employment. The reimbursement benefits are limited to those amounts and conditions set forth by the California Code of Regulations CCR 599.723 for represented positions, CCR 599.723.1 for excluded positions and the departmental policy cited below.

DEPARTMENTAL POLICY

In addition to the requirements and limitations referenced below in CCR 599.723 and 599.723.1, the department has limited the eligibility for new hire moving expense reimbursement to those changing their place of residence from outside of California to accept employment. Currently, an exception is allowed for new hire moves within California for those hired in Engineering and Surveying classifications.

HIRING MANAGER RESPONSIBILITIES

The hiring manager must review eligibility and reimbursement conditions to offer new hire relocation expenses. New hires should be advised of the limited relocation reimbursement allowance and be provided with a detailed new hire moving package. New hire moving packages may be requested from the Division of Accounting on behalf of the newly hired employee by submitting a completed Form [ASC-3001](#), "Employee Relocation Fact Sheet".

CCR 599.723 REPRESENTED POSITIONS

Reimbursement will be allowed for a part of the travel and moving expenses of professional and technically trained persons who change their place of residence to accept employment with the State under the following conditions:

The employee must have changed his or her place of residence for the purpose of accepting employment with the State.

The employee was appointed to a position or class for which the California Department of Human Resources (CalHR) and the appointing power (delegated hiring authority) have certified that such expenditure is necessary in order to recruit qualified persons needed by the State.

New Hire Reimbursement Allowance for Represented Positions

Reimbursement for moving household goods will be allowed up to a maximum of \$1,000.00 in accordance with conditions set forth by CCR 599.718, 599.719 and 599.724(a).

Reimbursement is allowed for travel (mileage) from the old residence to the new residence (one-way, one-time only) at the rate of 21 cents per mile.

Reimbursement for travel expenses of members of the employee's family is prohibited.

Exception for New Hires in Represented Positions

Advance approval from the appointing power and the Department of Finance are required for any reimbursement or combination of reimbursements under CCR 599.723 that exceeds \$1,000.00. For more information, see Chapter 14 - Moving and Relocation.

CCR 599.723.1 EXCLUDED POSITIONS

Reimbursement may be allowed for all or part of the travel and moving expenses of professional and technically trained persons who are required to change their place of residence to accept employment with the State under the following conditions:

The employee is new to State employment or reinstating to State employment after a permanent separation.

The employee must have been appointed to a position or class for which the appointing power has certified that such expenditure is necessary in order to recruit qualified persons needed by the State.

The employee must have changed his or her place of residence for the purpose of accepting employment with the State.

The new headquarters is established more than 75 miles from the employee's primary residence.

New Hire Reimbursement Allowance for Excluded Positions

An employee who meets the criteria established above may, at the discretion of the appointing power, be reimbursed for relocation expenses as follows:

Reimbursement for expenses for the movement and storage of household goods will be allowed up to a maximum of \$1,000.00 in accordance with conditions set forth by CCR 599.718.1, 599.719.1 and 599.724.1(a).

Reimbursement is allowed for travel (mileage) from the old residence to the new residence (one-way, one-time only) at the rate of 21 cents per mile.

With advance approval from the Director, California Department of Human Resources (CalHR), an employee who meets the criteria for new hire reimbursement may, at the discretion of the appointing power be reimbursed for relocation expenses, in addition to those in 1 and 2 above, for all or part of the following:

Reimbursement for a maximum of 30 days of temporary lodging and meals at the new headquarters location, limited to the conditions, maximums and receipt requirements applicable to state employee travel reimbursement as set forth in CCR 599.619(a) and (b). Up to 14 of the 30 days may be used for pre-move house hunting at the new headquarters location, reimbursable after the report date.

As described in CCR 599.715.1, reimbursement for up to \$200 of receipted expenses for installation, connection, or assembly of appliances, antennas, or utilities that are related to the establishment of the new household. Deposits are not reimbursable.

Reimbursement of travel expenses for the employee's family is prohibited.

Exception for New Hires in Excluded Positions

Advance approval of the appointing power and the Department of Finance are required for any reimbursement or combination of reimbursements under this rule that exceeds \$1,000.00. For more information, see Chapter 14 - Moving and Relocation.

NEW HIRE CERTIFICATION (PAYBACK CLAUSE)

New hires are required to sign the following certification that is included in the new hire relocation package:

"If an employee whose travel and moving expenses have been so paid does not continue his or her employment with the State department for a period of two years (unless the discontinuance of his or her employment was the result of death, prolonged illness, disability, unacceptable assessment of the employee to that State department, or similar eventualities beyond the control of the employee as determined by the appointing power), he or she shall repay the

following percentage of the amount received as reimbursement for such travel and moving expenses."

100% if employed less than 6 months.

75% if employed 6 months, but less than 12 months.

50% if employed 12 months, but less than 18 months.

25% if employed 18 months, but less than 2 years.

REIMBURSEMENT CLAIMS

In addition to the instructions in Chapter 3 - Travel Expense Claim (TEC), all relocation TECs should be checked for the following:

Claims are identified as "Relocation" under purpose of trip.

Object code 022 is used for all relocation expenses.

Relocation expenses are submitted on a separate TEC. Do not include other types of expense.

State Employee Transfers Only:

An approved Form [ASC-3001](#), "Employee Relocation Fact Sheet", must be on file with the Travel Payments and Policy Section or attached to the TEC.

Claimant's home address for relocation must indicate address where temporary lodging and meals were incurred. Per diem is only allowed at the new location.

One copy of the approved Form [ASC-255](#) "Moving Service Authorization" must be on file with Travel Payments and Policy Section prior to filing TECs. This form is included in the State Employee Relocation Package.

One copy of the applicable distance test must be on file with Travel Payments and Policy Section prior to the movement of household goods. This form is included in the State Employee Relocation Package.

If reimbursement of expenses is taxable, note preference of:

Federal and state tax deduction from TEC, or

Federal and state tax deduction from payroll warrant.

Note: Social Security, State Disability Insurance and Medicare will be deducted from a payroll warrant under both options.

A TEC for settlement of a lease must include a lease agreement signed by both the employee and the leaser and must be itemized. The TEC must be submitted no later than:

Represented employees in Bargaining Units 12 and 14: Six (6) months from the official reporting date. The Director of the California Department of Human Resources (CalHR) may grant an extension of not more than three months upon receipt of evidence warranting such extension prior to the expiration of the six (6) month period. See Chapter 14 - Moving and Relocation Expenses.

All other employees: Nine (9) months from the official reporting date. No exceptions are allowed.

A TEC for reimbursement of a sale of residence must include the seller's final escrow closing statement and must be submitted no later than:

Represented employees in Bargaining Units 12 and 14: One (1) year from official reporting date. See Chapter 14 - Moving and Relocation Expenses.

All other employees: Within two (2) years from the official reporting date. No exceptions are allowed.

A TEC for reimbursement of the movement of household goods must include the bill of lading, weight certificates, and inventory list. The TEC is filed when the employee pays the mover out-of-pocket and seeks reimbursement. Competitive price quotes must be included with the claim when:

Represented employees in Bargaining Units 12 and 14: When cost is over \$300, two additional quotes are required.

All other employees: When cost is over \$1,000, one additional quote is required.

The authorization for claiming moving expenses, Form [ASC-255](#), expires two years and 60 days from the official reporting date or 15 days prior to voluntary separation, whichever comes first.

Additional information is available in the State Employee Relocation Package.

Represented New Hires to State Service Only:

An approved Form [ASC-3001](#), "Employee Relocation Fact Sheet", must be on file with the Travel Payments and Policy Section or attached to the TEC.

A signed "New Hire Moving Certification" Form must be on file with the Travel Payments and Policy Section or attached to the TEC.

A TEC for reimbursement of the movement of household goods must include the bill of lading, weight certificates, and inventory list. Two competitive price quotes must be included with the claim.

If household goods are moved exclusively in the employee's personal vehicle, TEC reimbursement for mileage may be claimed at the state mileage rate. No other mileage or moving expense will be allowed.

Non-Represented New Hire Only:

Claims for reimbursement of relocation expenses must be submitted no later than six (6) months from the reporting date.

See New Hire Relocation for additional information.

New employees should complete and submit a Travel Expense Claim (TEC) Form [FA-0302](#) with receipts, New Hire Certification Form, and any other supporting documents required to authorize payment attached. Object code 022 is used for relocation expenses.

Claims for reimbursement should be submitted no later than six (6) months from the reporting date. Reimbursement may not be issued prior to the reporting date.

Forward claim package to:

Division of Accounting
Travel Payments and Policy Section, MS-25
P.O. Box 168018
Sacramento, CA 95816-8018