

SUBJECT: **RELOCATION EXPENSES**
APPROVED BY: VP, People and Information _____
EFFECTIVE DATE: 2007 03
REVIEW/REVISED DATE: 2011 10 2011 11

Purpose:

- To provide eligibility guidelines for relocation expenses.

Policy/Standard:

Relocation expenses may be paid on behalf of new employees entering employment with the Health Authority or when existing employees are being involuntarily relocated to another location greater than 80km away but within the Labrador-Grenfell Health region. These expenses will be approved in accordance with the Provincial Public Service Secretariat Human Resources policies on Travel and Relocation.

Relocation expenses as a result of existing employee-initiated voluntary moves within the region will not be covered under this policy.

Relocation assistance is an employment benefit, where Labrador-Grenfell Health may pay for the reasonable costs associated with the employee's move.

Labrador-Grenfell Health has the authority to determine which positions are eligible for relocation expenses based on location of the position; relevance to operational requirements, recruitment and retention challenges; financial capacity; and other considerations as warranted. This determination would normally occur in advance of a staffing action.

Eligible positions deemed as "difficult to fill" by Labrador-Grenfell Health and/or as defined by the Provincial Nursing and Difficult-to-Fill Health Professionals Bursary Programs, and/or eligible for benefits under the Provincial Treasury Board Market Adjustment Policy, may be approved at 100% of pre-approved expenses. Other eligible positions may be approved at 75% of pre-approved expenses.

Labrador-Grenfell Health will, whenever possible, move the employee in the most smooth, efficient and economical manner.

All relocations are to be a minimum of 80 kilometers, or not accessible by road,

to qualify for approval of relocation expenses.

When both relocating spouses are members of the public service, they will have approved expenses reimbursed as an employee and spouse, not as two separate employees.

This policy does not contain all the details of the relocation entitlements or procedures, which guide employee relocation on hire or involuntary transfers. More detailed information is available from Human Resources Department staff.

This policy may be amended on an individual basis as authorized by the CEO or designate. In extenuating circumstances, the CEO or designate may also approve additional expenses in excess of the amounts as set out herein.

Materials Required:

Relocation Plan	Form #: HR-5-65-1
Return-in-Service Agreement	
Travel Expense Claim	Form #: F-4-020-1

Related Policies:

- F-4-020: Travel Expense Claims (Administrative Policy and Procedures)

Definitions:

Dependent	any person, living with the new employee, for whom the employee has a legal or conferred responsibility of care or custodianship due to age and/or physical or mental infirmity / disability
Principal residence	the place that the new employee regards as their permanent residence

Required to relocate	a decision by the employer, that is not associated with a job competition, to require the transfer of an existing employee to another geographic location that is a minimum of 80 kilometers away, or not connected by road.
Spouse	Employee's husband or wife, including a common-law or same sex partner

Responsibilities

Human Resources

It is the responsibility of Human Resources staff to:

- provide relocating employees with a copy of the Relocation Policy;
- consult with the employee on the development of a Relocation Plan;
- approve the employee's relocation plan and appropriate relocation expenses prior to the actual relocation. Three written quotes are required if using a commercial moving company;
- ensure Materials Management is provided with a Requisition for a moving company in accordance with its policies and procedures;
- place a copy of the employee's approved relocation plan in the employee file;
- ensure completion of the Return-In-Service Agreement;
- ensure that original receipts are submitted for all approved relocation expenses;
- ensure submitted expense claims are in accordance with this policy;
- enforce any policy limits or maximums; and
- recover any unfilled portion for credit either through payroll deduction or other action where an employee fails to fulfill the terms of the Return-In-Service Agreement;
- Claims will normally be processed within two weeks of submission of the final claim to the Finance Department.

Employees

It is the responsibility of employees to:

- arrange relocation in the most cost effective manner;
- develop a relocation plan in consultation with the Employer, including three quotes for moving companies, if required;

- obtain written approval of the relocation plan prior to the relocation;
- complete an approved expense form and forward to Human Resources; and
- unless extenuating circumstances exist, ensure that all authorized expenses and associated original receipts are submitted for payment within 30 days of moving.

Eligibility

Permanent Employees

Permanent employees are eligible to have approved relocation expenses reimbursed a maximum of two times within an eight year period.

Permanent employees who are 'required to relocate' by the Employer are eligible to have approved relocation expenses reimbursed. This 'required to relocate' entitlement does not impact employees' eligibility to have approved RISs reimbursed a maximum of two times within an eight year period, as indicated above.

Individuals initially appointed to a permanent position within the public service are eligible to have approved relocation expenses reimbursed as outlined in this policy.

Temporary Employees

Depending on the terms and conditions of their employment contract, temporary employees may be eligible for assistance with transportation expenses. These could include, among other things, return airfare plus reasonable excess baggage costs. Approved expenses will be determined on an individual basis by the VP, People and Information, or designate.

Selection of Moving Company

The selection of movers will be processed in accordance with the established purchasing procedures as outlined by the Materials Management Department. Whenever possible prospective employees must obtain three price quotes. Exceptions may apply when moving companies are unavailable. When U-haul options are used, one quote from the U-haul company will suffice.

Movement of Employees / Dependents

House Hunting Trip

Existing employees, eligible for approved relocation expenses under this policy, will be granted leave with pay and travel expenses (meals, accommodations and transportation) for the employee and one other individual for up to five calendar days for the purposes of one house hunting trip and travel.

New employees, eligible for approved relocation expenses under this policy, will be granted travel expenses (per diem meals, accommodations, transportation) for the employee and one other individual for up to five calendar days for the purposes of one house hunting trip and travel. The number of days, to a maximum of five days, used for the house hunting trip directly reduces the number of days available under the 'Temporary Living Expenses' section.

Employees who incur child care expenses for children less than 16 years of age may be reimbursed \$25.00 per family for each night that the parents are absent on the house hunting trip.

Temporary Living Expenses

Where a new home cannot immediately be established upon relocation and Labrador-Grenfell Health has not provided accommodations, claims for temporary accommodations and meals for employees, their spouses and dependents may be allowed for up to 14 calendar days. The 14 calendar days include the five calendar days referenced in the 'House Hunting Trip' subsection. Additional meals and accommodations may be approved in extenuating circumstances, subject to the approval of the CEO or designate. The onus is on the employee to justify the need for additional temporary living expenses.

Method of Transportation

Employees will be reimbursed for expenses as included in the relocation plan and as approved by the VP, People and Information or designate. The relocation plan is normally based on the most economical method of relocation given the following factors:

- methods of transportation available and the amount of traveling time required for each method;
- number, age and any special needs of the dependents to be relocated;
- any special needs of the employee or the spouse; and

- expenses that employees may claim in transit (e.g., accommodations).

Where employees can demonstrate that savings will be realized by Labrador-Grenfell Health, a lump sum **taxable** payment of up to:

- \$5,000 may be provided for relocations within Labrador or within the island portion of the Province;
- \$10,000 for relocations between Labrador and the island portion of the Province; or
- \$10,000 for relocations between the Province and other Canadian provinces or territories, or between the Province and other countries.

The onus is on employees wishing to avail of this payment to demonstrate to Labrador-Grenfell Health how cost savings can be achieved. Expense estimates for the section (***Sale and Purchase / Construction of Principal Place of Residence***) should not be used in the determination of cost-savings for the lump sum payment option.

Should the lump sum payment be made, employees waive all claims to expenses except for those outlined in the ***Sale and Purchase / Construction of Principal Place of Residence***.

Accommodations

Where commercial accommodations are required, employees will be reimbursed for the cost of such accommodations. While in transit and depending on the distance traveled, accommodations may, upon pre-approval, be reimbursed up to a maximum of seven days. Charges for additional rooms may be approved by the CEO or designate based on the number of employee dependents.

Where employees avail of private accommodations they may be reimbursed \$25 per night for the employee or \$50 per night for the employee and family together, where applicable.

Meals

When employees claim for meals they should note the number of persons for whom meals are claimed as well as the ages of all children. Employees, their spouses and their dependents 10 years or older may claim the meal allowance rate outlined in the Administrative Policy and Procedure, Finance Policy: Travel Expense Claims (F-4-020). Employees may claim one half of this rate for dependents under the age of 10 years. While in transit and depending on the

distance traveled, meals may, upon pre-approval, be reimbursed up to a maximum of seven days. Approval may be given in advance for the accommodations and meal expenses of an alternate travel companion in cases where deemed reasonable.

Travel Advance

Existing employees who require a travel advance should follow Finance Policies and Procedures.

New employees (i.e., those not yet on the Labrador-Grenfell Health payroll) are not eligible for travel advances, except in extenuating circumstances approved by the CEO or designate.

Transportation of Furniture and Household Effects

Employees may claim the following expenses, up to a maximum of \$20,000, for the transportation of furniture and household effects of their principal residence:

- crating, packing and unpacking;
- cartage and transportation;
- complete replacement insurance (by hundredweight) in transit;
- storage charges up to a maximum of one month;
- electrical, cable and telephone hookups and disconnects and change of address referral costs; and
- reasonable expenses incurred in shipping domestic family pets, up to a maximum of \$750 per relocation.

The following items are not covered under this policy:

- items which by law or tariff may not be moved with household effects;
- goods requiring climatically controlled conditions;
- boats in excess of 3.7 metres (12 feet) and portable outboard motors which are not properly serviced for the move and which have not been accepted by the carrier on a straight weight basis;
- livestock (sheep, cattle, etc.); and
- travel trailers.

The CEO or designate may approve items in addition to the above list of expenses where the request is reasonable, in keeping with the intent of the relocation policy and within the maximum allowable amount of \$20,000.

When movers or U-Haul® are not being utilized, excess baggage guidelines below may apply:

1. Labrador-Grenfell Health will pay the cost of transporting excess baggage to a maximum of (6) pieces for the employee and two pieces for each dependent. Each bag should not be more than 32 kgs or 70 lbs. (or the specific airline restriction in place). This is allowed if effects are being moved separately by a slower method of transportation or if no other expenses are reimbursed for moving effects.
2. Excess baggage means baggage that an employee is expected to bring on their person at the time of relocation. These are items needed to see the employee through while waiting for their shipment of effects.
3. Excess baggage cost is paid for by the employee as an up front cost and is reimbursed, supported by appropriate receipts, by Labrador-Grenfell Health after arrival.

Transportation and Storage of Motor Vehicles

Employees should make every effort to relocate their primary motor vehicle by driving the vehicle to their new location. In situations where an employee is unable to drive the vehicle to the new location, and/or where the employee has other vehicles, the VP, People and Information may approve up to \$3,000 to cover shipment of the vehicle(s) to the new location.

Where employees can demonstrate cost savings by an alternate method of relocating the vehicles for less than \$3,000, the CEO or designate may approve such a plan.

Where employees are required to relocate to or from Labrador during the closed shipping season, the Employer will reimburse up to a maximum of \$100.00 per month for the cost of storing one personally owned motor vehicle until the shipping season re-opens.

Sale and Purchase / Construction of Principal Place of Residence

Existing employees will be reimbursed, up to a maximum of \$25,000, for costs incurred in the sale and/or purchase / construction of the principal residence.

Costs relevant to the sale of a principal place of residence include:

- real estate fees up to a maximum of 6% provided such fees are incurred within two years of relocation;
- in circumstances where families are unable to relocate immediately, or in

- instances where the sale of the principal residence cannot immediately be accomplished, duplicate housing costs for a period not to exceed three months to a maximum of \$800.00 per month and prorated for part months;
- one appraisal or survey fee;
 - reasonable and necessary legal fees resulting from the sale of the principal place of residence, less any tax (e.g., property) or fuel (e.g., propane) reimbursements associated with this sale; and
 - payment of a mortgage penalty upon the sale of the employee's principal residence, provided the employee submits a certified invoice from the financial institution issuing the mortgage or the lawyer representing the employee.

Costs relevant to the purchase / construction of a principal place of residence include:

- reasonable and necessary legal and mortgage fees (including mortgage insurance fees) for the purchase or construction of a new residence at the place of relocation will be covered provided:
 - such fees are incurred within two years of relocation, and
 - the claim is accompanied by a detailed statement and provided the employee has sold or is in the process of selling (e.g., listed with real estate company or broker) the principal place of residence at the former location;
- employees will be reimbursed for part or all of the interest charges for a bridging loan to enable the employee to meet the down payment on a new residence pending the sale of their former residence; such interest charges may be claimed for a period not to exceed three months to a maximum of \$800.00 per month and to be prorated for part months; and
- one appraisal or survey fee.

Storage of Personal and Household Effects

Labrador-Grenfell Health will pay the storage cost for up to a maximum of one (1) month of personal and household effects for new employees. The employee is responsible for arranging the storage and for arranging and paying the related insurance costs for all stored goods.

At the end of the storage contract, the employee can either remove the goods from storage or negotiate a new independent contract with the storage company and leave the goods in storage.

The employee is responsible for making the arrangements to and pays the cost of moving the effects from storage.

Return in Service (RIS)

All employees for whom relocation expenses are paid by Labrador-Grenfell Health will sign a Return in Service (RIS) Agreement, with the exception of those employees 'required to relocate' by the Employer.

In instances where an employee is 'required to relocate' by the Employer, any existing RIS Agreement will be waived by Labrador-Grenfell Health.

Permanent employees will sign a RIS Agreement of two years duration. Temporary, seasonal or contractual employees will sign a RIS Agreement equivalent to the expected length of employment, up to two years duration.

On satisfactory completion of the terms of the RIS Agreement, an employee's indebtedness (in respect of RISs) will be discharged in full.

All employees who fail to fulfill the terms of the RIS Agreement will repay expenses for the period not served on a prorated basis (i.e., as per the outlined employment period).

For example, a permanent employee who receives \$12,000 under a RIS Agreement is obligated to a two year (i.e., 24 months) return of service period. If the employee leaves after only six months service, the repayment amount will be proportional to the number of months remaining in the RIS Agreement (i.e. 18 months). Proportional repayment calculations:

- Monthly amount: $\$12,000 / 24 \text{ mths} = \$500/\text{mth}$
- Service owed: $24 \text{ mths} - 6 \text{ mths} = 18 \text{ mths}$
- Repayment amount: $\$500/\text{mth} \times 18 \text{ mths} = \$9,000$

References:

Government of Newfoundland and Labrador, Public Service Secretariat, Human Resources Policies,
http://www.exec.gov.nl.ca/exec/pss/working_with_us/relocation.html