



# Relocation Policy

## 1. Purpose of the policy

A relocation allowance may be offered to job applicants on a discretionary basis, subject to the availability of funding and where there is a Head of Department recommendation and HR Director approval. The package can be used to cover the costs of relocation such as the cost of moving house, shipping personal effects, temporary accommodation, travel to the School and accessing a range of relocation services.

Expenses claimed against the relocation allowance are authorised and administered by the Financial, Reporting & Compliance team based in the Finance Division. The team can be contacted via [the Finance Division enquiry form](#), selecting Financial Reporting & Compliance > Relocation expenses.

## 2. Eligibility for relocation package

To be eligible for a LSE relocation package, you must meet all criteria (i) to (v):

- (i) Hold an academic faculty position, i.e. associate professor, assistant professor, full professor or a permanent appointment to undertake research, teaching and civic duties (and where relevant with the highest research output quality, i.e. GPA of at least 3.5)
- OR
- Hold a senior administrative, teaching and research post (salary bands 9 and 10)
- (ii) Hold a full-time position, or part-time position of at least 0.50 full-time equivalent hours.
- (iii) Be relocating your place of work from outside of London to London – **see definition under (v).**
- (iv) Be relocating your principal residence from outside of London to London (i.e. within the M25)– **see definition under (v).**
- (v) Be relocating from more than 1 hour travel time to less than 1 hour travel time with a reduction in travel time of more than 30 minutes (as per <http://www.tfl.gov.uk/> or nearest equivalent available measure of travel time by public transport).

Exceptionally, the HR Director may waive the requirement for the new residence to be within 1 hour by public transport for residences marginally greater than 1 hour travel time that are within the M25, but the travel time reduction of more than 30 minutes will not be waived.

### 3. Value of Package Available

The value of the package will be:

- 10% of starting salary (excluding any variable earnings, allowances or other payments) for relocations from within Europe (based on OECD definition)
- 20% of starting salary (excluding any variable earnings, allowances or other payments) for relocating from outside Europe (based on OECD definition)

In all cases the total package value is limited to **£25,000**.

The School is developing a range of services, in association with external providers, to support new faculty during their and their family's relocation to ensure the process goes as smoothly as possible. These services are set out below. Some of these services may have an associated cost in which case a charge will be made against your relocation package.

### 4. Eligible Expenditure

a) **Tax free claims (up to £8,000) as per the HM Revenue and Customs (HMRC – UK Tax Authorities) relocation scheme**

HMRC guidance on relocation expenses and benefits can be found on the [HMRC Website](#).

- (i) **Temporary accommodation** - including staff accommodation booked through the School's Accommodation office. HMRC regulations state 'temporary living accommodation' is allowable only where the employee intends to move to permanent accommodation to complete the relocation. Contributions towards the cost of such accommodation will not be eligible for exemption from tax where a person is posted to a new location and moves into accommodation which they occupy for a considerable period as their main residence. If you elect to stay in School owned accommodation and wish to claim the cost of this as part of your Allowance, please ask the Residences Booking office to invoice the LSE Coordinator directly.
- (ii) The cost of **packing, transporting, delivering and insuring your household contents** from your existing main residence to your main residence located within the Reasonable Travelling Distance.
- (iii) **Storage** of your household contents for up to 6 months.
- (iv) Reasonable Travelling Distance and/or the purchase of a new main residence located within the Reasonable Travelling Distance. Professional fees include estate agent fees, surveyor fees, conveyancing fees and stamp duty.
- (v) Reimbursement of **Visa application fees for your Dependants**. Visa application fees for Tier 1 and Tier 2 Visas for new staff members are normally met by the HR Division and do not need to be claimed under this Policy as part of your Allowance.
- (vi) **The professional fees incurred on the initial letting of a property** on an assured shorthold tenancy, such as letting agency fees, where you are a named tenant and the property will be used as your main residence within the Reasonable Travelling

Distance. **Security deposits and other refundable deposits related to rental accommodation may not be claimed under this Policy.**

- (vii) The services of a **relocation company** for the removal and related insurance of household effects. You will need to obtain 3 quotes for removal and supply these to the Relocation Coordinator. The removal company that supplies the lowest quotation will normally be chosen, unless you have expressed strong reasons to the Coordinator to choose another supplier.
- (viii) **Single fares** by the most economical means in standard class for you and your dependants to move from your existing main residence to the London area. If return fares are booked the School will meet 50 per cent of the cost of the fare unless you can supply evidence that the return fare was cheaper than a single fare. Transportation of pets is not an eligible expenditure under this policy.
- (ix) Other travel costs (flight and accommodation) related to preliminary visits to London.

**Relocation expenses for the above in excess of £8,000 will incur income tax and National Insurance Contributions.**

#### **b) Non-qualifying expenses relating to relocation**

You may claim reimbursement for the below expenses however they are considered non-qualifying relocation expenses according to HMRC and will incur income tax and National Insurance Contributions regardless of the £8,000 tax free threshold:

- (i) **Office Moves** - the HMRC relocation scheme applies to personal effects only and does not cover the removal of office items. Therefore, any claims relating to office moves will incur income tax and NICs.
- (ii) **Orientation** - initial consultation followed by an accompanied area orientation tour with a specialist consultant, including discussion of residential suitability, schooling, housing, transportation, healthcare and other amenities.
- (iii) **School search** - explanation of the UK education system and consultation of child's/children's needs, provision of information on best performing schools, published league tables, written report on availability and appropriate schools. Relocation service providers can arrange appointments for family viewing of school and guidance of application process.
- (iv) **Home search** – Relocation service providers can provide property consultation, research and assist short-listing of property selection, prepare a full itinerary to visit properties and coordinate accompanied tour of properties, assist with negotiations for terms of lease, attend inventory check-in with a written report and arrange transfer of gas, electricity, water and council tax.
- (v) **Immigration Health Surcharge** – as part of visa applications.
- (vi) **Tax Advice** - Independent tax advice to support the transition to the UK tax system, including any reporting obligations in the individual's previous country of residence or citizenship. The School does not appoint advisers for this purpose and the employee is responsible for sourcing their own independent tax adviser.

## **5. Conditions**

Under the Relocation Scheme applications can only be made for one relocation allowance per household.

### Timescale for incurring relocation expenses

The HMRC guidelines that govern the Relocation Scheme set an allowable timescale within which relocation expenses need to be incurred. In order to qualify, expenses must be incurred before the end of the tax year following the one in which the new appointment is taken up (current tax year +1). As such, applications for relocation package must be made to the Relocation Coordinator within 12 months of the date of commencement of the appointment. However, if it is not possible to move within the defined timescale, applicants are required in the first instance to contact the Relocation Coordinator explaining the reasons for the delay. This will then enable the School to seek permission for an extension from HMRC. Only when HMRC grants an extension will the applicants be eligible for the Relocation Scheme.

### Timescale for seeking reimbursement

Once expenses are incurred applications for reimbursement must be made to the Relocation Coordinator within 6 months, as per LSE Financial Regulations. Claims can be submitted as each expense is incurred, or all together, and must include detailed receipts for each claimed item. No payments will be made beyond the limit of your allowance. The School reserves the right to reclaim any accidental overpayments made to you under this policy from your net salary.

### Income tax

Applicants should be aware that under UK tax law, sums paid in connection with relocation are treated by HMRC (the UK tax authorities) as a benefit in kind and may be treated as earnings and subject to taxation. The School will pay the relocation expenses covered by this scheme without deduction of tax but will be obliged to submit returns (P11D) to HMRC at the end of each tax year of any expense paid regardless of tax free threshold. The Relocation Coordinator can advise on the treatment of such items and potential implications for the claimant.

### Repayment

Should a member of staff in receipt of a relocation package voluntarily leave LSE within 3 years of appointment, a proportion of the package will be repayable based on each full year worked (i.e. 100% repayable under one year, 66.67% repayable after one year, 33.33% repayable after two years). Any amounts repayable will be deducted directly in equal installments from your net salary during your notice period. Any outstanding sums that are not recovered by the School from your net salary by the end of your employment with the School will remain your liability and will be invoiced to you with 15 day payment terms. After this period, interest will accrue at the official HMRC interest rate on any outstanding sum.

### Discretion

Any costs incurred by the staff member through the use of the School's relocation services will be paid directly by the School charged against the staff member's relocation package.

On application to the Finance Director, an advance of 50% of the relocation expenses may be made up to six weeks before the date of taking up appointment on production of satisfactory evidence of expenditure.

In exceptional circumstances some support may be available to staff who do not meet all the criteria set out in this policy. Such cases will be considered by the Finance Director based on a case made by the department head and HR.

### Policy changes

The School reserves the right to change this policy without notice. The latest version is available on the School’s website at LSE Human Resources and should be referred to directly.

Review interval	Next review due by	Next review start

**Version history**

Version	Date	Approved by	Notes

**Links**

Reference	Link

**Contacts**

Position	Name	Email	Notes
Director of Financial Reporting & Compliance	Alice Singer	finance.division.frc@lse.ac.uk	

**Communications and Training**

Will this document be publicised through Internal Communications?	<b>Yes</b>
Will training needs arise from this policy	<b>No</b>
If Yes, please give details	