



RELOCATION ASSISTANCE INCENTIVE POLICY AND PROCEDURES – Statewide

DHR-STW-Policy #: DHR-STW-305.1

**Authority: 29 Del. C. § 9003D;
IRM 1.32.12 IRS Relocation Travel Guide;
IRS Publication 521 (2018)**

Effective Date: October 10, 2023

Revision Date: N/A

**Supersedes: State of Delaware Relocation
Assistance Guidelines & Procedures
OMB/HRM 09/2006**

Signature: *Claire M. DeMatteis*

Application: Executive Branch Agencies

1. Policy Purpose Statement

The State of Delaware (State) may provide Relocation Assistance as an incentive to accept an offer of employment to an applicant for an in-demand or a higher-level position vacancy. The Relocation Assistance incentive shall be reviewed and considered on a case-by-case basis and will be approved to offer by the Agency.

2. Scope

This policy applies to eligible Executive Branch agency employees. This Statewide Executive Branch policy supersedes any Executive Branch agency policy, procedure, or guideline pertaining to or otherwise related to relocation assistance. Employees covered by 29 Del. C. § 5903(17) and positions that are covered by a Collective Bargaining Agreement are not eligible at the time of this policy's issuance.

Non-executive branch agencies are encouraged to adopt this policy and administer such policy with their employees.

3. Definitions and Acronyms

- **DHR** – Department of Human Resources
- **In-Demand Positions** – In-demand positions for the fiscal year are determined by a series of calculations by DHR using recruitment and turnover data and evaluated regularly or by other approved means.
- **Higher Level Positions** – Positions in classes at Pay Grade 19 or higher.
- **Selected Candidate** – The prospective employee to whom employment and relocation assistance is being offered.

4. Policy

- a. With approvals from the Secretary of the Department of Human Resources (DHR) and the Director of the Office of Management & Budget (OMB), hiring Agencies may provide relocation assistance as an incentive to a qualified applicant selected for an in-demand or

other position where the selected applicant meets the criteria in this policy and would otherwise not have accepted the offer or appointment to the position.

- b. Relocation assistance may be offered for the relocation of prospective employees who meet all of the following criteria:
 - 1) The position vacancy is a pay grade 19 or above or is designated as an in-demand position.
 - 2) The position is not covered by a collective bargaining agreement.
 - 3) The selected applicant who at the time of the employment offer/appointment lives outside of the State of Delaware and the position offered has an assigned State of Delaware on-site workplace location 50 miles or more from their current residence. No consideration for relocation assistance will be made for candidates living in the State of Delaware.
 - 4) The selected applicant accepts the employment offer/appointment and agrees to complete the move into the State of Delaware for State of Delaware employment within six (6) months of their date of hire.
 - 5) The selected applicant agrees to the State terms of receiving the relocation assistance and the terms of repayment should they terminate employment with any State Agency.
- c. Should an employee terminate, voluntarily or involuntarily, within two (2) years from their date of hire into the State Agency position, the employee shall reimburse the State the full amount of relocation expenses within 6 months of terminating employment with any State Agency. The repayment will be reimbursed to the original hiring agency that hired the candidate and paid for the relocation expenses, even if the employee has moved to another State Agency.
- d. The offer and terms of the relocation assistance must be detailed in writing at the time the offer of employment is made, along with a link to or copy of this policy.
- e. The relocation assistance incentive will be paid in the form of reimbursement of up to \$5,000.00 for actual costs incurred for relocation to the State of Delaware once the position is accepted; the Relocation Assistance Request and Agreement form section signed; and the employee provides documentary evidence of expenses within 30 calendar days of the completion of the expense.
- f. The relocation assistance is taxable to the employee as a form of compensation added to the employee's W2 statement.¹
- g. The hiring agency shall be responsible for providing funding from its current operating budget and shall not be allowed to utilize personnel appropriations.
- h. The recipient of Relocation Assistance is not eligible for full-time telecommuting under the State's Alternative Working Arrangements Policy unless an emergency requires remote work.
- i. The State is dedicated to a fair and equitable application of this policy. Agency management shall use and apply all provisions of this policy in an unbiased and impartial manner.

5. Procedures

- a. With the agency head's recommendation and approval from the agency's financial officer, the hiring department may submit a request to the DHR Secretary or designee. If approved, the DHR Secretary will move the request to the OMB Director who will return the request with the results to the agency requestor with a copy to DHR Secretary. Only after all approvals

¹ For 2018 through 2025, employers must include moving expense reimbursements in employees' wages. The new tax law suspends the exclusion for qualified moving expense reimbursements. <https://www.irs.gov/newsroom/employer-update>

have been received may the hiring agency offer the prospective employee relocation assistance incentive.

- b. Successful prospective employees offered relocation assistance shall agree in writing to all terms and conditions of the offer and relocation expenses, repayment of all relocation assistance within six (6) months of terminating employment if the termination occurred within two (2) years of their hire date with the agency that provided relocation assistance incentive.
- c. The employee must adequately account for their moving expense by providing documentary evidence of expenses, including receipts, and mileage verification within thirty (30) days of the completion of the expenses to their agency's fiscal office. The agency will provide its specific procedures to the selected candidate.

Reimbursement for actual costs incurred up to a limit of \$5,000.00 will be issued upon the agency's fiscal office receiving the required documentation and receipts for the incurred moving expenses. Expenses shall be limited to the following:

- Moving household goods and personal effects, (i.e., cost of moving company).
 - Mileage for one personal vehicle during the move.
 - Travel from your old home to your new home such as flight, train, and mileage expenses.
 - Lodging for travel for the employee, if related to the actual relocation.
 - Temporary lodging such as rent for up to three (3) months.
- d. The hiring agency/department will process reimbursement payment to the employee within sixty (60) days of the request and full verification for reimbursement.
 - e. Expenses **not eligible** include, but are not limited to:
 - Travel costs to search for housing;
 - Any part of new home purchase price;
 - Car tags;
 - Driver's license;
 - Expenses for buying or selling a home;
 - Expenses of entering or breaking a lease;
 - Home improvements to help sell your home;
 - Loss on the sale of your home;
 - Real estate taxes;
 - Return trips to your former residence;
 - Security deposits;
 - Storage charges.
 - f. Exceptions to these provisions may be made at the discretion of the Secretary of the Department of Human Resources.

6. Exclusions or Exceptions

- Advances are not permitted in accordance with the Budget and Accounting Manual and reimbursement is based upon receipts submitted.

7. Dissemination and Training

- This Policy will be distributed through the Delaware Learning Center (DLC).
- All DHR Senior Leadership and DHR Agency Leads are responsible for acknowledging this policy within 30 days of notification by the DLC.

8. Data Reporting

- None.

9. Associated Policy/Regulations/Information

- Publication 15 Employer's Tax Guide (irs.gov)
- [State of Delaware Budget and Accounting Policy Manual](#)

10. Appendices and Forms Associated with this Policy

- [Relocation Assistance Request & Agreement Form](#)

11. Policy Owner

- Division Name: Office of the DHR Secretary
- Policy Owner: Deputy Secretary, Office of the DHR Secretary
- Website: [DHR- Office of the DHR Secretary \(delaware.gov\)](#)

This policy is not intended to create any individual right or cause of action not already existing and recognized under State or Federal law. If there is a conflict with, i.e., the law or regulation and this policy, the law and/or regulation govern.