



COLLEGE OF THE NORTH ATLANTIC

OPERATIONAL PROCEDURE

TOPIC: RELOCATION

Procedure No.	HR-409-PR	Division	Human Resources
Supersedes	N/A	Board Policy Ref.	BP-HR-400B
Related Policies	HR-409 & FA-308	Effective Date:	October 5, 2010 (R1)

PROCEDURE

1.0 Definitions

Dependent	Any person living with the 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 an employee regards as his/her 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.
Spouse	An employee's husband or wife, including a common-law or same sex partner.
Advance	Funds provided to an employee (an individual currently on payroll) of the College upon completion of required relocation documents but prior to submitting claims.

2.0 Eligibility

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

All relocation must be a minimum of 80 kilometres to qualify for approval of relocation expenses.

2.1 Permanent Employees

Permanent employees are eligible to have approved relocation expenses reimbursed a maximum of two times within any eight year (96 month) period.

In the event an employee applies for and is offered a new position with the College within the timeframe of the original relocation agreement, the following will apply:

- i. If relocation expenses are NOT provided for the new position, the period remaining from the original agreement will stay in effect. For instance, if the original agreement requires two years of service, and the new position starts in a different location after 18 months, the original agreement for service stays in effect for the balance of six months.
- ii. If, in any eight year (96 month) period an incumbent is entitled to an approved second relocation, any portion of the period of return in service will reduce the amount of entitlement of the new approved agreement by that amount. As well, the balance of return in service of the original agreement will be replaced by a new relocation agreement related to the new position. For example, if an employee signed an agreement to remain with the College for two years and has been in that position for 18 months, the Schedule of Amortization indicated a 30% repayment. The new relocation expense reimbursement will therefore be reduced by 30%. The process will involve a reduction of this amount from reimbursement of any relocation claims related to the new agreement; a waiver of the remaining six months of the first agreement; and a new relocation agreement based on two years from the date of appointment to the new position.
- iii. Permanent employees who are “required to relocate” by the College are eligible to have approved relocation expenses reimbursed. (This “required to relocate” entitlement has no effect on employee’s eligibility under 3.1.)

2.2 Temporary, Seasonal, Contractual

The President or designate may negotiate relocation benefits, up to the level of benefits contained within the relocation policy, for individuals/employees assuming temporary, seasonal or contractual positions, subject to the availability of funds.

2.3 NL Public Sector

When both relocating spouses are Newfoundland & Labrador Public Sector employees, they will have approved expenses reimbursed as an employee and spouse, not as two separate employees.

2.4 Reimbursement by Spouse from Employer Outside Public Sector

Where the spouse of the relocating employee is eligible to receive relocation reimbursement from an employer from outside the Newfoundland and Labrador Public Sector, the College will not be responsible for relocation costs.

3.0 **Selection of Moving Company**

The selection of movers will be processed in accordance with the established purchasing procedures of the College’s Purchasing Office. Employees will

provide details of the move by completing a Request for Relocation Expenses Form prior to commencement of their employment. Sufficient time shall be given to allow the College's Purchasing Office the opportunity to obtain three quotes.

4.0 Movement of Employees/Dependents

4.1 House Hunting Trip

- i. Existing employees, eligible for approved relocation expense under this policy, will be granted leave with pay and travel expenses as per the College's travel policy, FA-308 (i.e. meals, accommodations, transportation) for the employee and one other individual for up to five calendar days for the purposes of one house hunting trip.
- ii. New employees, eligible for approved relocation expenses under this new policy, will be granted travel expenses as per the College's travel policy, FA-308 (i.e. meals, accommodations, transportation) for the employee and one other individual for up to five calendar days for the purpose of one house hunting trip.
- iii. The number of days, to a maximum of five calendar days, used for house hunting trip directly reduces the number of days available under 5.0 "Temporary Living Expenses".

4.2 Dependant Care Expenses

Employees who incur child care expenses for children less than 16 years of age may be reimbursed \$25 CDN per family for each night that the parents are absent on the house hunting trip.

5.0 Temporary Living Expenses

Where a new home cannot immediately be established upon relocation, claims for temporary accommodations and meals for employees, their spouses and dependant children may be allowed for up to 14 calendar days. The 14 calendar days include the 5 days referenced in "house hunting trip".

Additional meals and accommodations may be approved in extenuating circumstances, subject to the approval of the President or designate. The onus is on the employee to justify the need for additional temporary living expenses by submitting a detailed written request for approval.

6.0 Method of Transportation

6.1 General

Employees will be reimbursed for expenses as approved in the employee's relocation plan. This 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 dependants to be relocated;
- Any special needs of the employee or his/her spouse; and expenses, with receipts, that employees may claim in transit (i.e. accommodations).

6.2 Lump Sum Payment Option

Where employees can demonstrate that savings will be realized by the College, a lump sum taxable payment of:

- Up to \$5,000 CDN may be provided for relocations within Labrador and within the island portion of the province.
- Up to \$10,000 CDN for relocations between Labrador and the island portion of the province.
- \$10,000 CDN for relocations between the province and other Canadian provinces or territories, or from other countries.

The onus is on employees wishing to avail of this payment to provide documentation in advance of the relocation to demonstrate to the College how cost savings can be achieved. Expense estimates as per Section 13.0 of these procedures will not be used in the determination of cost-savings for the lump sum payment.

If a lump sum payment is made, employees waive all claims to expenses except for those outlined in 13.0 of this document and Section 6.0 of the Request for Relocation Expenses Form must be completed and signed, and written documentation, including quotes for movers and other expenses, must be provided to Human Resources to identify the cost savings involved.

7.0 **Accommodations**

7.1 Commercial Accommodations

Where commercial accommodations are required, employees will be reimbursed for the cost of such accommodations based on government rates and the submission of receipts. Upon written request, charges for additional rooms may be approved by the President or designate based on the number of employee dependents.

7.2 Private Accommodations

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

8.0 **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 College travel policy, FA-308. Employees may claim one half of this rate for dependents under the age of 10 years.

9.0 **Travel Advance**

Employees who require a travel advance should complete a journey authorization/travel claim form.

New employees not yet on the College's payroll are not eligible for travel advances.

10.0 Transportation of Furniture and Household Effects

10.1 Claimable Expenses & Effects

Employees may claim the following expenses, up to a maximum of \$20,000 CDN, 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, including rental of transportation cages.

10.2 Items Not Covered

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 meters (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

Upon written request the President 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 CDN.

Upon written request the President or designate may approve costs, related to the transport of furniture and household effects, in excess of \$20,000 CDN, in extenuating circumstances.

11.0 Transportation and Storage of Motor Vehicles

11.1 Primary Vehicle Transport

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 President or designate may approve up to \$3,000 CDN to cover the shipment of the vehicle(s) to the new location.

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

11.2 Relocation to and from Labrador

Where employees are required to relocate to or from Labrador during the closed shipping season, the College will reimburse up to a maximum of \$100 CDN per month for the cost of storing one personally-owned motor vehicle.

12.0 **Sale of Principal Place of Residence**

Employees will be reimbursed, up to a maximum of \$25,000 CDN, for costs incurred in the sale and/or purchase/construction of the principal residence. These costs must be included when completing the Request for Relocation Expenses Form and original receipts are required.

- Real estate fees up to a maximum of 6% (up to the maximum amount noted above) provided such fees are incurred within 2 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 3 months to a maximum of \$800 CDN per month and prorated for part months;
- One appraisal fee and/or survey fee;
- Reasonable and necessary legal fees (detailed and itemized) resulting from the sale of the principal place of residence, less any tax (i.e. property) or fuel (i.e. 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.

13.0 **Purchase or Construction of Principal Residence**

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 certified and detailed statement; and provided the employee has sold or is in the process of selling (i.e., listed with the 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 CDN per month and to be prorated for part months; and
- One appraisal fee or survey fee.

The President or designate may approve costs, related to the sale and/or purchase of the place of residence, in excess of \$25,000 CDN, in extenuating circumstances.

14.0 Relocation Expense Agreement

- 14.1 Qualifying employees for whom relocation expenses are to be paid by the College will be required to sign a Relocation Expense Agreement with the exception of those employees “required to relocate” by the College.
- 14.2 In instances where an employee is “required to relocate” by the College, any existing Relocation Expense Agreement will be waived.
- 14.3 Permanent employees will sign a Relocation Expense Agreement of two years duration.
- 14.4 Temporary, seasonal or contractual employees will sign a Relocation Expense Agreement equivalent to the expected length of employment, up to two years duration.
- 14.5 On satisfactory completion of the terms of the Relocation Expense agreement, an employee's indebtedness (in respect of relocation expenses) will be discharged in full in accordance with 16.0 (Schedule of Amortization of Relocation Expenses).
- 14.6 All employees who fail to fulfill the terms of the Relocation Expense Agreement will repay expenses for the period not served as set out in 16.0 of this document. If the period of employment, due to operational requirements determined by the employer, is less than those identified in the table in 16.0, the repayment will be adjusted such that the individual will not be penalized due to the shorter term of employment.
- 14.7 Example of proportional repayment calculations:

An employee accepts a permanent position and resigns six months after reporting to work. The amortization period for a permanent position is 24 months, less the six months worked, results in a required payback equivalent to 18 months value of the total relocation cost, calculated as follows:

Schedule of Amortization of Relocation Expenses

Repayment Schedule for Employment Terms of:			
Period Worked	Permanent Employees, and <u>Contract & Term Employees hired for a period in excess of 18 months</u>	<u>Contract & Term Employees hired for a period between 13 & 18 months</u>	<u>Contract & Term Employees hired for a period up to 12 months</u>
1 month	100%	100%	100%
2 months	100%	100%	100%
3 months	100%	100%	100%
4 months	100%	100%	100%
5 months	95%	95%	95%
6 months	90%	90%	90%
7 months	85%	85%	85%
8 months	80%	80%	80%
9 months	75%	75%	75%
10 months	70%	70%	70%

11 months	65%	65%	65%
12 months	60%	60%	0%
13 months	55%	55%	N/A
14 months	50%	50%	N/A
15 months	45%	45%	N/A
16 months	40%	40%	N/A
17 months	35%	35%	N/A
18 months	30%	0%	N/A
19 months	25%	N/A	N/A
20 months	20%	N/A	N/A
21 months	15%	N/A	N/A
22 months	10%	N/A	N/A
23 months	5%	N/A	N/A
24 months	0%	N/A	N/A

15.0 Relocation Process

- 1) The Regional HR Office provides the successful candidate with a written job offer and a copy of the relocation policy, including all appendices.
- 2) The successful candidate, prior to commencement of employment, will provide the employer with a completed application that includes: signed Relocation Expense Agreement, Request for Relocation Expenses, and Journey Authorization/Travel Expense Claim. Completed documents will be submitted directly to the regional HR Manager.
- 3) The regional HR Manager will review the information to ensure its completeness and compliance with policy before forwarding it to the Executive Director of HR for approval.
- 4) Subject to approval by the Executive Director of HR, the relocation request is signed and returned to the regional HR Manager who in turn will have the appropriate information forwarded to the Purchasing Office for action.
- 5) Once the Purchasing Office advises the regional HR Manager of the successful moving company, the HR Manager will relay this information to the successful candidate.

Approval History	
Approved by President	February 19, 2008
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Next Review	October 2013