

HR & OD POLICIES

human resources and organisational development



Relocation Incentive Scheme Procedure (Teaching)

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1. INTRODUCTION

Aberdeenshire Council recognises that it is essential to recruit and retain high quality teaching staff to maintain an effective educational provision. It is therefore necessary to have a competitive Relocation Incentive Scheme to attract the Council's preferred candidates.

The purpose of the scheme is to provide an advance of the Council's relocation allowance to encourage external appointees to take up vacant teaching positions within Aberdeenshire.

Under the terms of this procedure a relocation advance of £5,000 (less tax and national insurance deductions) is made available alongside the successful candidate's first salary payment. A further £3,000 (inclusive of VAT) can be claimed upon submission of the appropriate expense receipts, providing certain conditions are met.

2. SCOPE

This scheme only applies to specific posts as pre-determined by the Service in conjunction with HR&OD. The recruitment information will indicate to candidates if a post is eligible for the Relocation Incentive Scheme.

Where a post does not attract the Relocation Incentive Scheme, the provisions detailed within the Council's [Relocation & Resettlement Procedure](#) will apply.

The Relocation Incentive Scheme does not apply to compulsory transferred teachers, who should refer to the SNCT Handbook part 4, 14.7 Allowances for Compulsorily Transferred Teachers.

3. PROCEDURE

Candidates who have applied for a vacancy that attracts the relocation incentive will be issued with the Relocation Incentive Scheme Application Form alongside their formal offer of employment. The form must be completed in full and returned as per the instructions contained within. The ECS Relocation Team will arrange for the agreement to be authorised by the relevant Head of Service after which the advance will be paid directly into the nominated bank account alongside the first salary payment.

As expenses are incurred receipts should be retained and submitted on the Receipt Submission Form. VAT invoices and receipts must be attached to all claims as appropriate, please refer to the VAT Examples which provides details of the appropriate VAT invoices for submission.

If relocation costs exceed £5,000 an additional allowance of £3,000 is available and can be claimed for reimbursement upon submission of the appropriate expense receipts. **It should be noted that the additional allowance will not become available until qualifying receipts totalling £5,000 have been provided.**

If the Head of Service (HR&OD) considers it inappropriate to approve payments (or part of a payment) and the employee feels aggrieved the matter will be referred to the Director of Business Services for a final decision. If any employee is found to have misused the provisions of the scheme then the matter will be investigated under Aberdeenshire Council's [Disciplinary Policy](#).

4. ELIGIBILITY

The Relocation Incentive Scheme is available to external appointees who have taken up a vacant teaching position that attracts the relocation incentive.

The scheme is intended to assist with the actual costs of taking up a new appointment with Aberdeenshire Council. This includes external appointees who are relocating from within the Aberdeenshire area. Applications for relocation may also be considered from those living outwith the UK.

Any queries regarding eligibility for these allowances or any other part of this procedure should be referred to the Travel & Benefits Officer, HR&OD before any commitment is undertaken.

Fixed Term Contracts

External candidates who are appointed to fixed term contracts while GTC Scotland registration is pending will be eligible to receive the relocation incentive. If the appointee cannot be registered and their fixed term contract is terminated as a result the scheme repayment terms will apply.

Candidates who are appointed into all other fixed term positions will not be eligible to receive the incentive and should refer to the [Relocation & Resettlement Procedure](#) for further information.

5. CONDITIONS

Where more than one member of the household is appointed to Aberdeenshire Council only one employee can join the scheme.

If the employee's partner receives relocation-related assistance from their employer this must be declared on the Receipt Submission Form so that the appropriate adjustments can be made.

The scheme will only remain valid **for a period of 12 months from the date of taking up employment**. Applications submitted outside of the 12 month period will not be accepted.

6. QUALIFYING EXPENSES

In accordance with HM Revenue & Customs guidelines, the Council is permitted to provide a tax-free allowance of up to £8,000 (including VAT) to employees who take up a new appointment with the Council and change their **main** residence as a result. There are five categories of relocation-related expenses that fulfil the tax-free criteria. These expenses are defined as **qualifying**.

- Disposal of old residence
- Acquisition of new residence
- Transport of belongings
- Travelling and subsistence costs
- Replacement of domestic goods for new residence

The relocation allowance should be used on qualifying costs where possible to minimise the tax and national insurance impact on the payment. **It should be noted that if the £5,000 advance has been exhausted the additional allowance of £3,000 can only be used for qualifying expenses, providing £5,000 of qualifying expenses have been incurred**

Example

An employee uses the full £5,000 relocation advance to pay the deposit on a car.

This is a non-qualifying expense so the full £5,000 is considered a taxable benefit and will be subject to tax and national insurance contributions. This will effectively reduce the value of the advance to approximately £3,500 (or £2,500 for higher rate taxpayers).

Disposal of old residence

Disposal refers to the sale of the old residence and also to the surrender of a tenancy or other interest in such a property. This can include a situation where an employee has contributed over some years to the repairs, maintenance or mortgage of a property, which is wholly owned by a partner or spouse.

Any of the following specific expenses are considered to be qualifying:

- Legal expenses and services connected with the disposal of a property;
- Penalties for redeeming a loan relating to the property;
- Legal expenses or services connected with the redemption of a loan that relates to the property, if it was raised to acquire the property (e.g. a mortgage, or it was secured on the property, a home improvement loan);
- Advertising;
- Fees for services of an estate agent or auctioneer;
- Disconnection of electricity, gas, water or telephone.

If there is a period during which the property is left empty awaiting disposal then the relocation allowance may also cover any of the following expenses:

- Rent paid for the period when the property is empty;
- Maintenance of the property during that period;
- Insurance for the period; and
- Ensuring the security of the property during the period.

Acquisition of new residence

'Acquisition' includes the purchase of a new home or the acquisition of a tenancy or 'other interest' in a new home. Such ownership, tenancy or equitable interest in the property must be held by the employee, or a member of the employee's household.

The relocation allowance can still be used if an intended acquisition falls through for reasons outside the employee's control. This would apply, for example, if the seller takes a property off the market or if the employee decides not to proceed for reasons deemed to be reasonable (e.g. because of an adverse survey report).

Any of the following specific expenses are considered to be qualifying:

- Legal expenses and services connected with the acquisition of the property;
- Legal expenses and services connected with any loan taken out to acquire the interest in the property;
- Procurement/arrangement fees on such a loan;
- A survey/inspection of the property (including both structural surveys and any building society valuation);
- Mortgage indemnity premiums;
- Fees payable to the Keeper of the Registers of Scotland;
- Land and Buildings Transaction Tax (stamp duty);
- Connection of services – gas, electricity, telephone services, water.

Transport of belongings

The removal of household belongings, plus the cost of their insurance in transit to the new residence. Domestic belongings include those of the employee and members of his or her family or household. The following costs are considered to be qualifying:

- Packing and unpacking;
- Taking down household fittings and re-attaching them at the new residence;
- Any necessary temporary storage, for example if the move from the old to the new residence is not a direct one. There must be an intention to relocate, and not merely to keep the items in storage.

To allow the council to recover VAT on removal-related costs a VAT invoice should be attached to the [Receipt Submission Form](#). Please refer to the [VAT Examples](#) for more information.

Travelling and subsistence costs

The employee may incur travel and subsistence costs in relation to relocation. The following costs are considered to be qualifying providing there is, or will be, a change to the employee's main residence:

- Preliminary visits to the new location;
- Travelling between the old home and the new work location;
- Temporary living accommodation;
- Travelling between the old home and the temporary living accommodation;
- Travelling from the old home to the new home when the move takes place.

Members of the employee's family or household can also claim travel and subsistence costs for preliminary visits to the new location and for travelling from the old home to the new home when the move takes place.

Temporary living accommodation is only considered a qualifying cost if the employee intends to change their main residence again by the 5th April 2019.

Replacement of domestic goods for new residence

The relocation allowance can be used for replacement domestic goods where items used in the old residence are unsuitable for use in the new home.

Suitable examples would be when carpets or curtains are the wrong size for the new home, or when a cooker uses an energy source that the new home is not equipped for (e.g. a gas cooker from the old home is not suitable as the new home does not have a gas supply).

Proceeds from any sale of the old goods, or the difference in quality between old and new goods, need not be taken into account.

7. NON-QUALIFYING EXPENSES

Certain relocation expenses are considered to be non-qualifying, for example, costs incurred due to insufficient notice given for removing a child from school. Council tax bills and costs for re-direction of mail are also included in this category.

Subsidies on mortgages or housing for an employee's removal to a higher cost area are non-qualifying, as is interest on the mortgage payments in an existing home or any financial loss to the employee due to the sale of his or her old home.

Employees are strongly encouraged to use the relocation allowance on qualifying costs to retrospectively reduce the amount of the advance that is subjected to income tax deductions.

It should also be noted that if the £5,000 advance has been exhausted the additional allowance of £3,000 can only be used for qualifying costs, providing £5,000 of qualifying receipts have been submitted.

8. RELOCATION NOT CARRIED OUT

If an external appointee takes up a vacant teaching position that attracts the relocation incentive but chooses not to change their main residence the up-front advance of £5,000 and any subsequent expense reimbursements will be considered a taxable benefit. This is also the case if an employee intends to relocate but later changes their mind.

9. REPAYMENT

A proportion of the relocation allowance will be repayable should the employee leave the Council's service within 2 years of taking up the appointment. The allowance will also be repayable if the employee subsequently applies for and is appointed to another post within the Council that does not attract the relocation incentive.

- Within 18 months – 100%
- 18-24 months - 50%

This provision may be waived in exceptional circumstances for example in relation to ill health retiral. This would require approval from the Head of Service HR&OD.

For further advice and guidance on any of the above please contact [Human Resources and Organisational Development](#).

Relocation Incentive Scheme

Index of Documents

Procedure

Revision Date	Previous Revision Date	Summary of Changes
23-02-2017	-	Creation of all Documents

Resources

Double click on the embedded document image to open the file:

Document	Embedded Document
Application Form	 Application Form.docx
Receipt Submission Form	 Receipt Submission Form.docx
VAT Invoice Example	 VAT Invoices Example.pdf

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