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Reevaluating the job relocation package: Make sure it's legal



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Imagine applying for an out-of-state job, going through the process of either flying or completing interviews via Skype, getting the job and having to plan for job relocation. This is great news and overwhelming at the same time: packing and unpacking, mastering travel time to and from work, getting familiar with the neighbors and neighborhood, enrolling child(ren) into new schools, and updating all the postal mail and driver's registration. The new hire is finally settled and meeting new worker friends, including any other newbies who also got a job relocation package.

Now imagine two new employees meet each other for the first time. One (fictional) employee was covered 100 percent, including an antique piano, and even brought her dog and a car. The other (fictional) employee only got 50 percent reimbursement for the entire move, and any extra items were sent on the employee's dime. Both were hired by different people who never spoke with each other about the other's relocation package. Not only does this make the company seem unfair, but it can lead to financial, legal and ethical issues for the company, too.

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[Dame Dash sparks questions about job relocation dos and don'ts](#)

Why creating a job relocation team helps



Are your company's hiring practices ethical?

(Photo credit: Pixabay)

If these two employees start comparing their moving experiences and expenses, the company could easily risk accusations of unfair company hiring policies and discrimination. Generally all companies should make being ethical a priority. Chicago's UrbanBound relocation software company has a strong argument in the [“How Applying Relocation Can Change the Game in the Professional Services Industry”](#) ebook for why organizing a work team to create a policy for transferring employees could avoid these kinds of issues. If

work team to create a policy for transferring employees could avoid these kinds of issues. If the same kind of package is available for everyone, or at least that kind of position, this could eliminate these kinds of situations.

The money behind the move

Job relocation packages can be mighty expensive. Allied Van Lines' 2012 Mobility Survey via [Houston Chronicle](#) estimates it as "nearly \$11,000 at small companies in 2012 to more than \$33,000."

A [2014 infographic](#) from Atlas World Group's 47th Annual Survey of Corporate Relocation Policies reports that less than 50 percent of companies cover the entire cost of the move; 96 percent at least cover the moving expenses; 70 percent pack all items; 39 percent unpack all items; 64 percent move an automobile while 40 percent agree to move a second automobile; 25 percent move pets; and 24 percent move high-value items.



Company “rights” to make a company right

Is the new job worth the moving expenses? (Photo credit: Pixabay)

Referring back to the two fictional employees above, these factors while moving can make a person just want to stay home and deal with the old job. But with the right amount of organization on both the employee’s part and the employer’s part, it doesn’t have to be this difficult — or unfair.

Keep in mind that regardless of relocation, that doesn’t mean the position will always work out. Typically most states follow the doctrine of employment at will. This means that an employer can terminate an employee at any time for any reason. However, there are exceptions, where a written document can be construed as an express contract that guarantees employment for a specific term.



Companies should consult an employment attorney when drafting relocation agreements to avoid language that would create an express contract guaranteeing the employee employment for a set period of time.

Employees who accept a relocation package



Be familiar with all terms for hiring before accepting the position, including the relocation package. (Photo credit: Pixabay)

Employees who accept a relocation package should be mindful of repayment clauses. The clause may require the employee to pay back 100 percent of the relocation expenses if the employee quits before his or her one-year work anniversary with the company.

Further, employees should consult with a CPA or other tax professional to find out if they will incur a tax penalty on the relocation package. Employees should also keep in mind that the Internal Revenue Service may be willing to deduct reasonable moving expenses (minus meals) for those who moved due to a change in job or business location. However, the move date must align with the new job, and pass the distance and time test. Visit [IRS.gov](https://www.irs.gov) for more information.

Have more questions about relocation agreements and the employment at will doctrine? Contact [J. Paye & Associates](#) today.

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Shamontiel L. Vaughn contributed to this blog. Find out more about her at
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*The information contained here is intended to provide useful information on the topic covered
but should not be construed as one-size-fits-all legal advice. Speak to an attorney specifically
about your contractual agreement for specific terms and conditions.*

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