DISCRETIONARY RELOCATION SUPPORT AND SIGNING BONUS PROGRAM

We understand that moving to a new location can take time, effort, and money. The University of Delaware is committed to providing monetary relocation support to new employees to ease the financial burden associated with a move to the Delaware area. Separate and apart from the relocation assistance, the University of Delaware recognizes that there may be circumstances when a signing bonus is appropriate for positions in a competitive market category.

Relocation Allowance:
The University of Delaware may provide either full or partial reimbursement of moving expenses for newly hired faculty and professional staff in the form of a lump sum moving allowance. This benefit may be extended to post-doctoral researchers at the discretion of the College Dean. This allowance is intended to pay an employee for expenses associated with a move to the University including packing and transporting of items, house-hunting, and transportation and lodging. Eligible employees must have a written offer of employment from the University and reside at least 50 miles from the position’s primary office location, at the time of the offer, to qualify for relocation support.

The moving allowance is a one-time payment included with an employee’s first paycheck, or as soon as reasonably possible. While the amount is at the discretion of the department, it should align with the relocation distance and anticipated costs for the move. The amount offered is determined for each prospective employee on a case-by-case basis. This allowance is reserved for all expenses associated with the new employee’s relocation, and employees should not expect additional payments or reimbursements related to their move. Furthermore, the lump sum moving allowance should not be considered a signing bonus. Since this is an “allowance,” taxes will be withheld when the payment is made. The payment and withholding will be reported on the employee’s W-2 Form.

Individuals should consult their tax adviser to determine whether any deductions may be available to them. The University will not provide any personal tax advice regarding this payment.

Effective January 1, 2018, all reimbursements for personal moving expenses paid to the employee are taxable. Furthermore, these payments are taxable without regard to whether receipts and/or appropriate documentation are provided.

Signing Bonuses:
Units may offer a signing bonus as an incentive to prospective newly hired faculty and professional staff for various reasons, including, when prospective employees have specialized skills and qualifications that are in high demand; and/or when they may be walking away from a bonus or other compensation at their current organization; and/or when UD has a vacant position that would be otherwise difficult to fill. The amount of the signing bonus should generally be in the range of 5 to 15% of the proposed starting salary. The amount of the signing bonus must be specified in the offer letter, and the letter must clearly state that it is a one-time lump sum payment and will not be made part of the annual base salary. Signing bonuses cannot be made to the prospective employee prior to their initial start date. Individual units are responsible for funding of the signing bonus. The payment and withholding will be reported on the employee’s W-2 Form. Individuals should consult their tax adviser to determine whether any deductions may be available to them. The University will not provide any personal tax advice regarding this payment.
Repayment of Moving Allowance and Signing Bonus:
If an employee receiving the allowance or bonus voluntarily leaves the University within 12 months of hire, the employee is responsible for reimbursing the University a prorated amount based on months worked. If an employee works through the 15th of the month, that month is considered as a full month worked. Each full month worked will reduce the amount to be repaid by one-twelfth (1/12) of the net reimbursement. Repayment may be waived if employment is terminated for reasons beyond the employee’s control and acceptable to the University.

Authorizing the Allowance:
A College Dean, Vice Provost or Vice President may authorize relocation support of up to $10,000, less applicable taxes, and signing bonuses up to 15% of the offer amount. Requests to offer relocation support in excess of $10,000, or a signing bonus above 15% of the offer amount must be approved by the Vice President for Human Resources for staff hires, or the Vice Provost for Faculty Affairs for faculty hires. Requests must include a detailed rationale for the exception.

Procedure:
The employee must arrange and pay for their moving expenses. Upon hire, the Talent Onboarding Team will process an S-Contract for the approved lump sum allowance amount and/or signing bonus.

Payment will occur in the employee’s first paycheck, or as soon as reasonably possible.

Language for offer letter for Relocation Allowance:
“You will also receive a one-time relocation allowance of $ , less applicable taxes, to assist with your transition to the area. This payment will be treated as taxable income. If you voluntarily resign within the 12 months of your date of hire, you will be responsible for reimbursing the University of Delaware a prorated net amount of the relocation allowance.”

Language for offer letter for Signing Bonus:
“You will (also) receive a one-time signing bonus of $ , less applicable taxes. This payment will be treated as taxable income. If you voluntarily resign within the 12 months of your date of hire, you will be responsible for reimbursing the University of Delaware a prorated net amount of the signing bonus.”

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