

**CHAPTER 3**  
**RELOCATION**  
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## CHAPTER 3

### RELOCATION

1. PURPOSE. The purpose of this chapter is to identify and clarify the California Department of Human Resources (CalHR) rules and State Administrative Manual (SAM) references regarding relocation. This chapter also provides departmental guidelines for the reimbursement of actual and necessary moving and relocation expenses incurred by departmental officers and employees who are required to relocate due to a change in assignment, promotion, or other reasons related to job duties.
  
2. AUTHORITY. The CalHR authorizes the reimbursement of relocation expenses in accordance with SAM, Section 8572.1 and Title 2 (Sections 599.714 to 599.724) of the California Code of Regulations (CCR), Administration; Division 1, Administrative Personnel; Chapter 3, Department of Human Resources; Subchapter 1, General Civil Service Rules; Article 7, Moving and Relocation Expenses. The memorandums of understanding for Bargaining Units (BU) 1-8 and 14-20 provide for reimbursements in accordance with the rules and regulations applicable to excluded employees.
  
3. GENERAL POLICY. Reimbursements for moving and relocation expenses exclusively involve excluded employees and employees represented by all BUs. All relocation and moving expenses are considered a taxable fringe benefit per Payroll Letters #18-003 and #18-021 (refer to Annexes E and F).
  
4. RESOURCES.
  - a. Moving Guide. The Department of General Services (DGS) publishes the Household Goods Moving Guide – Relocation Information to assist relocating employees. The guide will be sent to each relocating employee as part of the relocation package provided by Travel Services Unit (TSU).
  
  - b. State List of Eligible Household Goods Carriers. Each year, the DGS issues a memorandum identifying carriers authorized to provide state agencies transportation services between points in California. The memorandum will be sent to each relocating employee as part of the relocation package provided by the TSU.

5. RELOCATION ELIGIBILITY.

a. Eligibility.

(1) Per Title 2, Section 599.714.1 CCR, whenever permanent employees are required by any appointing power (the Commissioner) due to a change in assignment, promotion or other reason related to their duties, to change their place of residence, such employees shall receive reimbursement of actual and necessary moving and relocation expenses incurred both before and after and by reason of such change of residence, subject to the provisions and limitations of this chapter.

(2) All reimbursements which include the sale of a residence shall come to the appropriate Assistant Commissioner for final review of the circumstances of the sale of a residence, and any additional details which may be needed for approval. The Commissioner's Office will be the final level of approval for any reimbursement which includes the sale of a residence.

b. Conditions. Per Title 2, Section 599.714.1 CCR, a move occurs on the official reporting date to the employee's new headquarters, and when a change in residence is reasonably to be required. Relocation shall be paid when the following conditions are met:

(1) An employee's officially designated headquarters is changed for the advantage of the state, which includes the following:

(a) A promotion offered by the Commissioner, or

(b) An involuntary transfer initiated by and at the discretion of the Commissioner, or

(c) Any voluntary transfer required to affect a mandatory reinstatement following:

1 Termination of a career executive or exempt appointment.

2 Leave of absence.

3 Rejection from probation.

(d) Any involuntary transfer required to affect a mandatory reinstatement following the expiration or involuntary termination of a temporary appointment, limited-term appointment, or training and development assignment when:

1 The employee did not relocate to accept the appointment or assignment, or

2 The employee did relocate, at state expense, to accept the appointment or assignment.

(2) The move must be a minimum of 50 miles, plus the number of miles between the employee's previous residence and the previous headquarters. Residence is defined as the actual dwelling place of the employee which bears the most logical relationship to the employee's headquarters and shall be determined without regard to any other legal or mailing addresses on file.

(3) Relocations that meet the above criteria/conditions shall be reimbursed only for the items in this chapter specifically authorized by the Commissioner and may be subject to further limitations such as dollar limits, weight limits, or time limits.

c. Discretionary Relocation. Per Title 2, Section 599.714.1 CCR, the Commissioner may, at their discretion, determine in advance if it is in the best interest of the state to reimburse all or part of the actual reasonable and necessary relocation expenses:

(1) As an incentive to recruit employees to positions designated by the Commissioner as difficult to fill.

(2) Because of outstanding qualifications of the employee.

(3) Due to unusual and unavoidable hardship to the employee because of the change of residence.

(a) The employee who meets the relocation criteria/conditions above shall submit a memorandum requesting relocation expenses reimbursement through the chain of command to the Commissioner for approval. Relocation expenses shall be granted on a very limited basis.

d. Nonpromotional and Voluntary Transfers. Per Title 2, Section 599.714.1 CCR, moving and relocation expenses for any nonpromotional and voluntary transfer which is primarily for the benefit of the employee shall not be paid.

e. Requirements and Limitations. Per Title 2, Section 599.714.1 CCR, requirements and limitations specified in this chapter cannot be waived or exceeded by the Department.

f. Unauthorized Relocation Expenses. Unauthorized relocation expenses and relocation expenses incurred prior to receipt of a written notice of allowable relocation expenses shall be the responsibility of the employee.

6. AUTHORIZATION TO INCUR COSTS.

a. Official Notification. Employees shall provide a Communications Network message, Management Memorandum, or departmental memorandum from the Commissioner as authorization to pay moving and relocation expenses.

(1) Upon receipt of the appropriate authorization, the TSU shall e-mail a relocation packet to the employee. The employee shall read all instructions carefully.

(2) If there are further questions or assistance is needed, the employee may contact the Relocation Specialist in the TSU.

b. CHP 711, Employee Relocation Information. Prior to incurring any moving and relocation expenses, employees shall obtain approval from their new commander using the CHP 711.

c. Payment of Expenses Incurred Prior to Official Notification. Per Title 2, Section 599.714.1 CCR, normally the state is not liable for any expenses incurred prior to official notification. In anticipation of a change of headquarters, employees may request permission from the appropriate Commissioner through channels to incur expenses prior to official notification of a promotion or administrative transfer.

(1) Reimbursement shall not be made until after the official reporting date.

(2) Employees shall accept full responsibility for all expenses should the anticipated headquarters change not occur.

7. RELOCATION SUBSISTENCE AND MILEAGE.

a. Allowance Limit of 60 Days. Per Title 2, Section 599.722 CCR, employees who are required to change their place of residence and qualify for moving and relocation reimbursement may claim up to 60 days of per diem allowances, and only for days when the employees are actively searching for a new residence at their new headquarters. Partial days shall count as full days for the purpose of computing the 60-day period such as meals claimed only with no lodging.

(1) Expenses arising from trips to the new location prior to the reporting date for the **sole purpose** of locating housing shall be reimbursed for actual

lodging, supported by a receipt, and meal and incidental expenses. Per diem shall not be allowed on days the employee is working.

(2) Employees may claim per diem allowance up to 14 of the 60 days allowed during the period starting with the official notification date or the approval date on the CHP 711, whichever is later, and ending with their official reporting date.

(3) Employees may claim up to the remaining per diem allowances during the 60 allowed calendar days following their official reporting date.

(4) Time spent in assigned travel for official state business away from the new headquarters is not counted toward the 60-day allowance limitation and expenses shall be submitted separately.

b. Requests to Exceed 60-Day Relocation Period. Per Title 2, Section 599.722 CCR, an extension of up to 30 calendar days may be granted by the Commissioner when it has been determined, **in advance**, that the change of residence is delayed as a result of unusual and unavoidable circumstances that are beyond the control of the employee.

(1) Employees shall request an extension to the 60-day relocation period using the STD. 256, Moving/Relocation Expense Approval Request.

(2) An extension may be granted when the following conditions are met:

(a) The employee must be faced with a hardship as a result of the move. The hardship must be documented and must represent more than an inconvenience to the employee.

(b) The circumstances must be unusual. This does not include normal delays such as failure to close escrow within 60 days, inability to sell the previous residence, delay resulting from the purchase of a house under construction, or detection of damage to the new residence after the house is in escrow.

(c) The circumstances must be unforeseeable prior to accepting the transfer. It is the employee's responsibility to examine all ramifications of the move, including the availability of housing at the new location, before accepting a transfer.

(3) The maximum reimbursement received by the employee shall not exceed the 60-calendar day allowance limitation.

c. Relocation Advances. Employees may request a relocation advance using the CHP 87, Travel Advance Request, after receiving official notification and obtaining

approval of their CHP 711. Forms must be submitted as paper claims, not through the California Automated Travel Expense Reimbursement System (CalATERS) Global.

(1) Employees shall satisfy the relocation advance by submitting a CHP 262, Travel Expense Claim, and/or payment. The advance shall not remain outstanding for more than 60 days.

(2) Relocation advances are maintained in an account separate from travel advances. Therefore, balances remaining in the relocation account cannot be transferred to the travel account and vice versa.

d. Per Diem and Mileage Rates. Per Title 2, Section 599.721 CCR, employees may claim per diem and mileage in accordance with and not to exceed the rates published on CHP's Intranet site. Employees may exclude, at their option, interruptions caused by sick leave, vacation, or other authorized leaves of absence.

e. Termination of Relocation Subsistence Allowance. Per Title 2, Section 599.721 CCR, eligibility of reimbursement shall discontinue when any of the following occurs:

(1) The employee moves into quarters other than a hotel, motel, or similar transient housing and has utility services, other than telephone, established in employee's name.

(2) The employee has any portion of their household goods moved into a new residence.

(3) The 60-day per diem allowances have been claimed.

(4) The employee commutes with no intention to relocate.

(5) The employee terminates an active search for a new residence with no intention to relocate.

f. En Route Expenses. Per Title 2, Section 599.722 CCR, an employee may claim expenses incurred en route to their new headquarters only once.

(1) These expenses should not occur more than three or four days prior to the employee's reporting date.

(2) Trips back and forth from the new headquarters to the previous headquarters shall be at the employee's expense.

(3) When the employee claims private car mileage, the state shall pay mileage from the previous residence to the new headquarters at the current relocation mileage reimbursement rate.

(4) The employee may choose to use another mode of transportation such as aircraft. In this case, the state shall only pay the employee's ticket one way. Later, should the employee desire to transport a vehicle to the new location, travel shall be at the employee's expense.

g. Claim for Reimbursement. Employees shall request reimbursement of relocation expenses on a monthly basis using the CHP 262, not through the CalATERS system. Prior to approving relocation per diem allowance claims, the new commander is responsible for determining that their employee has been searching for a new residence within the vicinity of the new headquarters.

(1) Employees shall clearly indicate on the CHP 262 that it is for relocation and shall not combine relocation expenses with regular travel expenses on the same claim.

(2) When expenses overlap two fiscal years (fiscal year begins July 1 and ends June 30), employees shall submit separate claims.

(3) Employees shall scan a signed CHP 262, along with all supporting documents, and upload it to the Travel Depot located at: <http://chp2go.sharepoint.com/sites/TravelDepot>. Select Upload Relocation Documents.

## 8. SALE OF RESIDENCE.

a. Eligible Period. Per Title 2, Section 599.716.1 CCR, claims for the sale of a residence must be submitted within two years following the date the employee reports to the new official headquarters. **Extensions are not allowed.**

b. Eligibility Approval. All reimbursements which include the sale of a residence shall come to the appropriate Assistant Commissioner for final review of the circumstances of the sale, and any additional details which may be needed for approval. The Commissioner's office will be the final level of approval for any reimbursement which includes the sale of a residence.

c. Reimbursable Selling Costs. Per Title 2, Section 599.716.1 CCR, reimbursement shall be made only for the actual and necessary selling costs sustained by the seller's closing escrow statement and any other documents that verify the selling costs. The seller's escrow statement must show the property address or location. Employees shall request reimbursement for the sale of

residence using the CHP 262 (refer to Annex D). Reimbursement may be made for the following:

- (1) Brokerage commission (up to six percent of applicable commission). Commission and fees shall not be reimbursed when paid to the employee, the employee's spouse, the spouse's employer, or any household member.
- (2) Title insurance (including sub-title fees and transfer tax).
- (3) Escrow fees (including sub-escrow fees, settlement, or closing fees).
- (4) Prepayment penalties (first mortgage only).
- (5) Taxes, charges, or fees fixed by local authority required to consummate the sale of residence (including tax stamp fees, county/city transfer tax, and documentary transfer tax).
- (6) Miscellaneous seller's costs customary to the area. Reimbursement shall not exceed \$200. These costs may include, but are not limited to, the following items:
  - (a) Internal Revenue Service (IRS) fee (Form 1099-MISC, Miscellaneous Information).
  - (b) Document preparation fee.
  - (c) Notary fee.
  - (d) Release fee.
  - (e) Reconveyance fee or trustee fee.
  - (f) Processing fee.
  - (g) Transfer of forwarding fee.
  - (h) Photo and inspection fee.
  - (i) Fee for drawing deed.
  - (j) Lender's document fee.
  - (k) Policy endorsement fee.
  - (l) Warehouse fee.

(m) Federal Housing Administration mortgage fee.

(n) Inspection. (The employee shall provide an itemized receipt from the vendor when the fee is \$75 or more. The receipt must be attached to the CHP 262 to prove the amount does not include repairs.)

(o) Recording fee.

(p) Tracking fee.

(q) Statement fee.

(r) Demand fee.

(s) Natural hazard disclosures.

d. Selling Costs NOT Reimbursable to the Employee. These costs include, but are not limited to:

(1) Overnight mail service.

(2) Seller's points or "lender's discount fee."

(3) Impounds.

(4) Property taxes and insurance.

(5) Bond indebtedness for public improvements.

(6) Payoff of loan.

(7) Interest payments.

(8) Private mortgage insurance.

(9) Private homeowner's insurance.

(10) Loan origination fee.

(11) Credit report.

(12) Beneficiary's statement fee.

(13) Termite repair work.

(14) Disclosure fee.

- (15) Assumption fee.
- (16) Homeowner's transfer fee.
- (17) Rebates (shall be deducted from the claim prior to reimbursement).
- (18) Wire fee.
- (19) Western Union fee.

9. SETTLEMENT OF LEASE.

a. Change of Official Headquarters. Per Title 2, Section 599.717.1 CCR, whenever employees are required to change their place of residence and such change requires the settlement of a lease on the employees' previous residence (including mobile home pads), employees shall request reimbursement for the settlement of an unexpired lease (refer to Annex C) using the CHP 262.

- (1) A maximum of one year's rent shall be allowed.
- (2) Any costs, such as deposits for cleaning, telephone, charges for damages, or any other fees must be paid by the employee.
- (3) Employees shall submit a CHP 262 for settlement of a lease and include a copy of the lease agreement signed by the employee and the lessor. The CHP 262 shall be itemized and submitted within nine months following the new reporting date.

b. Reimbursement Limitations. Per Title 2, Section 599.717.1 CCR, reimbursement shall not be allowed when it is determined that the employee signed a lease agreement knowing that a transfer was imminent.

c. Month-to-Month Agreement. Per Title 2, Section 599.717.1 CCR, when change of official headquarters requires relocation, and such notice to the employee is insufficient to provide the employee the notice period required by a month-to-month rental agreement, reimbursement may be claimed for the number of penalty days paid by the employee to a maximum of 30 calendar days.

- (1) Reimbursement shall not be allowed for the number of penalty days that the employee failed to notify the landlord after notification by the employer of the reassignment.
- (2) Employees shall include with the CHP 262 a copy of the rental agreement, an itemized receipt for the penalty days, and the name and address of the individual or company to which the rental penalty has been paid.

(3) No reimbursement shall be made for forfeiture of cleaning or security deposits, or for repair, replacement, or damages to rental property.

10. MOVING OF HOUSEHOLD EFFECTS.

a. Household Effects Defined. Per Title 2, Section 599.718.1 CCR, household or personal effects include items such as furniture, clothing, musical instruments, household appliances, food, and other items that are usual or necessary for the maintenance of one household.

(1) Household effects shall not include items connected to a for-profit business, items from another household, items that are permanently affixed to the property being vacated, or items that would normally be discarded or recycled.

(2) At the discretion of the Commissioner, other items may be considered household effects based on a consideration of the estimated cost of the move and a review of the items listed on the inventory. Expenses related to moving items other than those described in paragraph 10.a. that have not been approved by the Commissioner shall be the responsibility of the employee.

b. Moving Reimbursement. Per Title 2, Section 599.719.1 CCR, reimbursement shall be allowed for the cost of moving an employee's effects either via commercial household goods carrier or by the employee.

(1) Reimbursements shall not exceed the cost of moving the employee's household goods from the previous residence to the new headquarters plus 50 miles unless the Commissioner determines that a longer move is in the best interest of the state.

(2) Reimbursement will not be allowed for the hiring of casual labor.

(3) Employees shall obtain approval **in advance** by the appropriate Commissioner using the STD. 256 when requesting reimbursement for any additional expense associated with the move.

(4) When the employee retains a commercial mover, reimbursement for actual and necessary expenses incurred by a commercial mover under this article for the packing, insurance, one pickup, transportation, storage-in-transit (not including warehouse handling charges except when required by interstate tariffs), one delivery, unpacking, and installation at the new location of an employee's household effects shall be allowed subject to the following:

(a) Weight of household effects for which expenses may be reimbursed shall not exceed 5,000 kilograms (11,00 pounds).

(b) Duration of storage-in-transit for which charges may be reimbursed shall not exceed 60 calendar days unless a longer period of storage is approved in advance by the Commissioner based on hardship to the employee.

(c) Rates at which reimbursement is allowed shall not exceed the minimum rates, at the minimum declared valuation, established by the California Public Utilities Commission for household goods carriers, unless a higher rate is approved by the DGS.

(d) Cost of insurance for which reimbursement is allowed shall not exceed the cost of insurance coverage at \$2 valuation for each pound of household effects shipped by household goods carrier.

(e) Claims for exceptions to the 11,000 pounds statutory limit may be considered by the Commissioner, up to a maximum of 23,000 pounds, only when it has been determined that every reasonable effort had been made to conform to the limit. Exceptions to the number of pick-ups and deliveries may be made by the Commissioner when it is reasonably necessary and in the best interest of the state.

(5) When the employee does not retain a commercial mover, reimbursement shall be allowed as follows for expenses related to the movement by the employee of their household effects in a truck or trailer:

(a) Rental of a truck or trailer from a commercial establishment. When not included in the truck rental rate, the cost of gasoline, rental of a furniture dolly, packing cartons and protective pads will be reimbursed. When the total costs exceed \$1,000, the claim must be accompanied by at least one written commercial rate quote.

1 Reimbursement will be made at the rate (including gasoline) which results in the lowest cost; or

2 Mileage reimbursement at the rates provided in Title 2, Section 599.631(a) or 599.631(b) CCR for noncommercial privately owned motor vehicles used in transporting the employee's household effects.

(b) Reimbursement for more than one trip by the method described above may be allowed when the Department has determined that the total cost would be less than the cost of movement by a commercial household goods carrier.

(6) When household goods are moved exclusively in the employee's personal vehicle, reimbursement for mileage may be claimed at the state mileage rate. No other mileage or moving expense shall be allowed.

(7) Employees shall include receipts with all claims for the reimbursement of the movement of household goods. Unless an exception is granted by the Commissioner, claims shall be submitted no later than two years and 60 days from the effective date of appointment or 15 days prior to voluntary separation, whichever occurs first.

(8) Commercial Carrier—State List of Eligible Carriers. The DGS publishes the State List of Eligible Household Goods Carriers. The employee should use a carrier from the list for maximum reimbursement.

(a) The employee shall complete Part I of the STD. 255, Moving Service Authorization (Employee Household Goods), and obtain approval from their new commander. By signing the STD. 255, the employee commits to notifying the Department and to pay transportation and related charges on any items prohibited by CalHR rules and regulations. Any exceptions to these limits must be approved in advance by the Commissioner and the CalHR on an STD. 256. The employee shall have the selected carrier complete Part II of the STD. 255.

(b) The employee shall obtain from the carrier an accurate written estimate of weight and costs by requesting the carrier to inspect the goods to be shipped and provide written, dated, and signed forms known as "Basis for Carrier's Estimated Costs of Services" and "Estimated Cost of Services." The forms summarize the services the employee requires and provides an estimate of cost for the services the employee has requested. The estimate should include the following information:

- 1 Mileage.
- 2 Estimated weight of shipment.
- 3 Resultant tariff rates in cents per hundred pounds.
- 4 Packing and unpacking labor costs.
- 5 Unit cost of packing materials and total estimated cost of packing.
- 6 Charges for "long carry."
  - a A charge for carrying upstairs or use of elevators.

b A charge for any distance greater than 50 feet from the carrier's van to the entrance of the residence. These costs are usually incurred at apartments, duplexes, rooming houses, or multifamily dwellings.

7 Appliance servicing or other accessorial charges.

(c) Any additional services not included with the Estimated Cost of Services statement shall require an "Addendum Order for Services" provided by the carrier. This form must be completed by the carrier before the household effects are moved.

(d) The carrier must then complete Part II of the STD. 255 and sign the form. The form is then given to the carrier. If the carrier is not given the form, the employee could be held liable for the moving expenses. At this point, the carrier must complete the move in accordance with the estimates for services and rates on file with the state. When an eligible carrier from the state's list is used, the carrier must complete a GS 1026, Hourly Rate of Service Verification, for each calendar day of moving expenses. The employee signs the form each day to certify completion of the work by the carrier. The carrier retains the original document, and the employee retains the duplicate of the daily forms. When the move is completed, the carrier forwards the itemized invoice and supporting documents to the DGS State Traffic Manager (Transportation Management Unit).

(e) The employee should not pay any charges to the carrier under this method. The Fiscal Management Section shall notify the employee of any charges the state will not pay. The employee shall be responsible for paying the difference owed directly to the carrier. The Relocation Specialist in the TSU shall provide the employee a copy of the invoice approved by the DGS Transportation Management Unit prior to payment.

(f) When the estimate is over 11,000 pounds, an STD. 256 must be completed and signed by the employee. The form and the carrier's estimate of moving weight and costs must be forwarded to the appropriate Commissioner for approval.

(g) When the estimate is over 15,000 pounds, an STD. 256 must be completed and signed by the employee. The form, the inventory list of household goods, and the carrier's estimate of moving weight and costs must be forwarded to the appropriate Commissioner for approval.

(9) Commercial Carrier—Not on State's List.

(a) Where an eligible carrier is not available, the TSU can request the DGS Transportation Management Unit negotiate a contract with a carrier of the employee's choosing. The employee must obtain the signature of the carrier agent in Part II of the STD. 255. This signature, along with the employee's signature, binds the carrier to do the move according to its offer and at the rates on file with the state. The employee must give the original STD. 255 to the carrier, retain one copy, and forward a copy directly to the DGS Transportation Management Unit, 707 3rd Street, Second Floor, West Sacramento, CA 95605.

(b) However, by using this method the employee will be assuming the risk of incurring substantial costs which may not be reimbursed by the state because minimum rates may not be guaranteed.

(c) If Part II of the STD. 255 is not executed with the carrier when using this method, the contracted carrier must be paid directly by the employee. The employee should be prepared to pay the carrier in cash or certified check prior to delivery of goods to the destination, as most carriers will not accept a personal check.

(d) Moves less than 50 miles must be preapproved by the appropriate Commissioner. For most moves that are less than 50 miles, household goods are not weighed. Hourly rates are normally used for computing the cost. In this situation, employees must obtain a Weighmaster Certificate of Weight and Measure from the carrier pertaining to the shipment; these certificates must be submitted with the CHP 262.

(e) A CHP 262 shall be completed by the employee for reimbursement and submitted to the TSU. The CHP 262 must be substantiated with legible copies of the carrier's itemized invoice and other supporting documents the employee has signed.

(10) Truck or Self-Haul Trailer Rental.

(a) When an approved Part I of the STD. 255 is received from the employee's new commander or Chief, the employee may then move household effects by a rental truck or trailer from a commercial establishment.

1 When not included in the truck rental rate, the cost of gasoline, rental of a furniture dolly, packing cartons, and protective pads shall be reimbursed. When the total costs exceed \$1,000, the CHP 262 must be accompanied by at least one written commercial rate quote. Reimbursement shall be made at the rate (including gasoline) which results in the lowest cost; or

2 Mileage reimbursement at the state rate for noncommercial privately owned motor vehicles used in transporting the employee's household effects.

(b) Reimbursement for more than one trip may be allowed when the Department has determined that the total cost would be less than the total cost of moving the employee's household effects by a state-approved commercial household goods carrier. Questions regarding this should be referred to the Relocation Specialist in the TSU, prior to moving household effects.

(c) A CHP 262 shall be completed by the employee for reimbursement. The CHP 262 must be substantiated with legible copies of the rental contract, gasoline receipts, and written bid, when appropriate, and submitted to the TSU (refer to Annex B).

(11) Noncommercial Privately Owned Motor Vehicles. When household goods are moved exclusively in the employee's personal vehicle, reimbursement for mileage may be claimed at the state mileage rate. No other mileage or moving expense shall be allowed.

(12) Insurance Coverage on Loss or Damage. When the move is made, the employee is provided with insurance to cover loss or damage to household effects during shipment. The coverage is sufficient for most moves. In arranging for the move, the employee should view with caution any insurance or valuation charges assessed by the household goods carrier. The state shall not pay these charges. Questions on insurance coverage should be directed to the employee's Relocation Specialist in the TSU.

(13) Storage-in-Transit. The STD. 256 shall be forwarded to the appropriate authority for approval in accordance with Title 2, Sections 599.721, 599.719, and 599.716 CCR or the applicable BU contract. An employee may be reimbursed for household effects placed in storage-in-transit for a period not to exceed 60 calendar days. This allowance is provided to meet emergency situations such as unavailability of adequate housing. When storage time is required beyond the 60-day period allowed, the completed and approved STD. 256 must be submitted to the TSU at least ten days prior to the end of the 60-day period. A copy of the approved STD. 256 must also be attached to the CHP 262.

(14) Mobile Home Move (Trailer Coach). When a mobile home (trailer coach) is an employee's place of residence when notified to relocate and will continue to be the residence at the new location, reimbursement may be allowed. Contact the Relocation Specialist in the TSU for current information.

## 11. ALLOWANCE FOR MISCELLANEOUS EXPENSES.

a. Allowance. Per Title 2, Section 599.715.1 CCR, employees who are required to change their place of residence and qualify for moving and relocation reimbursement may receive up to \$200 for miscellaneous expenses.

(1) The allowance shall cover charges for services such as dismantling and installing antennas, establishing gas, electric, telephone, and cable television installation.

(2) Such charges must occur within 60 days of the establishment of a new residence.

(3) The employee shall request reimbursement using the CHP 262 and include receipts for proof of payment of the expenses and to certify that the expenses were related to dissolution of the previous household and/or establishment of the new household.

(4) Deposits are not reimbursable.

## 12. WITHHOLDING AND INCOME TAX REPORTING.

a. Income. Relocation expense reimbursements paid directly to the employee are reportable income.

b. Payment to Moving Company. Qualified moving expenses, paid directly to the moving company by the Department on behalf of the employee, are reportable and are subject to withholding.

c. Taxes Withheld. Per SAM Section 8572, federal and state taxes shall be deducted from the employee's CHP 262 and remitted to the State Controller's Office (SCO) with the STD. 675, Supplemental Wage Deductions. After deducting any outstanding travel advances, the difference, if any, shall be issued to the employee. Social Security and Medicare taxes shall be deducted from the employee's payroll warrant by SCO and remitted to the IRS for Form W-2, Wage and Tax Statement, purposes. The following reimbursements are taxable:

(1) Relocation per diem allowances.

(2) Moving expenses paid directly to a commercial carrier and/or employee (for a self-move).

(3) Storage and insurance in excess of 30 days (other than in-transit storage).

- (4) Sale of residence expenses.
- (5) Unexpired lease settlement.
- (6) Mileage from previous residence or previous headquarters to new residence or new headquarters (one way and one time only mileage).

13. CREDIBLE THREATS TO UNIFORMED EMPLOYEES.

a. Eligibility. The Department shall reimburse the moving and relocation expenses of a uniformed employee or any immediate family member residing with the employee in the same household or on the same property when it is necessary to move because the employee has received a credible threat that a life-threatening action may be taken against the employee or employee's immediate family as a result of the employee's employment.

(1) A credible threat is a verbal or written statement, or a threat implied by a pattern of conduct, or a combination of verbal or written statements and conduct, made with the intent and the apparent ability to carry out the threat so as to cause the person who is the target of the threat to reasonably fear and feel unsafe, or fear for the safety of the employee's immediate family.

(2) Immediate family means the spouse, parents, siblings, and children residing with the employee.

(3) For relocation to be covered by this section, the appropriate Commissioner shall be notified as soon as a credible threat has been received.

b. Moving Expenses. The person relocated shall receive actual and necessary moving and relocation expenses incurred both before and after the change of residence, including reimbursement for the costs of moving household effects either by a commercial household goods carrier or by the employee.

(1) Actual and necessary moving costs shall be those costs that are allowed under the rules governing promotional relocations.

(2) The Department shall not be liable for any loss in value to a residence or for the decrease in value due to a forced sale.

(3) Employees shall receive approval from the appropriate Commissioner prior to incurring any cost covered by this section.

(4) Employees shall not be considered to be on duty while moving unless approved by the appropriate Commissioner.

- (5) Temporary relocation housing shall not exceed 60 days.
- (6) The Department ceases to be liable for relocation costs after 120 days of the original notification of a viable threat if the employee has failed to relocate.

14. MOVING EXPENSES FOR NONSTATE EMPLOYEES (NEW HIRES).

a. Condition. Per Title 2, Section 599.723.1 CCR, reimbursement may be allowed for all or part of the travel and moving expenses of professional and technically trained persons who are required to change their place of residence for the purpose of accepting employment with the state. Nonstate employees are persons who have never had a permanent appointment with the state or are reinstating after a permanent separation from state service. Approval for these expenses must be obtained in writing from the appropriate Commissioner.

b. Moving and Travel Expenses. For current information, contact the Relocation Specialist in the TSU.

c. Termination of Employment. Per Title 2, Section 599.723.1 CCR, when an employee, whose travel and moving expenses have been paid, does not continue employment with the Department for a period of two years (unless the discontinuance of employment was the result of death, prolonged illness, disability, unacceptability of the employee to the Department, or similar eventualities beyond the control of the employee as determined by the Department), the employee shall repay the following percentage of the amount received as reimbursement for travel and moving expenses:

- (1) If employed less than 6 months, 100 percent.
- (2) If employed 6 months, but less than 12 months, 75 percent.
- (3) If employed 12 months, but less than 18 months, 50 percent.
- (4) If employed 18 months, but less than 2 years, 25 percent.

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## ANNEX A

### PER DIEM ALLOWANCE AND MILEAGE RATES

#### 1. PER DIEM, LODGING, AND MILEAGE REIMBURSEMENT RATES.

##### a. Per Diem Rates.

(1) Current rates of reimbursement for per diem meals and incidentals may be found in the following references:

(a) The current memorandum of understanding (MOU) for each bargaining unit, which can be found on the California Department of Human Resources ([CalHR](#)) website.

(b) The [CalHR](#) website.

(c) SharePoint—the CHP Intranet site.

##### b. Lodging Rates.

(1) Current rates of reimbursement for short-term lodging may be found in the following references:

(a) The current MOU for each bargaining unit, which can be found on the [CalHR](#) website.

(b) The [CalHR](#) website.

(c) SharePoint—the CHP Intranet site.

(2) All lodging expenses which exceed the current statewide rate will require employees to submit a request to exceed the state rate using the STD. 255C Excess Lodging Rate Request/Approval, to the appropriate Commissioner at least three weeks prior to the date of travel in advance of the trip. For lodging rates that exceed \$350 (exclusive of taxes), PML 2006-013 requires the Department to forward the STD. 255C to CalHR for additional approval. A copy of the approved request for the STD. 255C must be attached to the employee's CHP 262 prior to submission to TSU.

c. Mileage Reimbursement Rates. The state mileage rates change periodically to mirror those of the Internal Revenue Service's published mileage reimbursement rates.

(1) Current rates of reimbursement for personal vehicle mileage for relocation may be found in the following references:

(a) The current MOU for each bargaining unit, which can be found on the [CalHR](#) website.

(b) The [CalHR](#) website.

(c) For aircraft mileage, refer to [Travel Reimbursements—CalHR website](#) for the maximum reimbursement rate.



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## ANNEX D

### EXAMPLE OF CHP 262, TRAVEL EXPENSE CLAIM, SALE OF RESIDENCE

STATE OF CALIFORNIA DEPARTMENT OF CALIFORNIA HIGHWAY PATROL <b>TRAVEL EXPENSE CLAIM</b> CHP 262 (Rev. 3-11) OPI 071											MILEAGE RATE					
<input checked="" type="checkbox"/> Relocation <input type="checkbox"/> Out of State										DEPARTMENT <b>California Highway Patrol</b>		PAGE(S) 1 of 1				
CLAIMANT'S NAME <b>Relo Cation</b>			I. D. NUMBER 4579		SOCIAL SECURITY NUMBER* 123-45-6789			WORK TELEPHONE NUMBER (213) 843-3551								
POSITION <b>Officer</b>			CB / ID NUMBER R05		DIVISION OR BUREAU <b>Central Los Angeles</b>			LOCATION CODE 590								
RESIDENCE ADDRESS* <b>1234 Make Believe Road Fresno, CA 93117</b>						HEADQUARTERS ADDRESS <b>777 West Washington Boulevard Los Angeles, CA 90015</b>										
1. MONTH/YEAR		3. LOCATIONS WHERE EXPENSES WERE INCURRED		4. LODGING		5. MEALS			7. TRANSPORTATION				8. BUSINESS EXPENSE	9. TOTAL EXPENSES FOR DAY		
Jun/2020									A. COST OF TRANS.		B. TYPE USED	C. TOLLS, PARKING		D. PRIVATE CAR USE		
2. DATE		TIME		BREAKFAST		LUNCH		D.T., LIT, NO, REL, OR DINNER	INDEBTALS				MILES	AMOUNT		
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## ANNEX E

### STATE CONTROLLER'S OFFICE—PAYROLL LETTER #18-003

STATE OF CALIFORNIA	BETTY T. YEE California State Controller
STATE CONTROLLER'S OFFICE PERSONNEL/PAYROLL SERVICES DIVISION P. O. BOX 942850 Sacramento, CA 94250-5878	
DATE: March 7, 2018	PAYROLL LETTER #18-003
TO: All Agencies/Campuses in the Uniform State Payroll System	
FROM: Marissa Revelino, Chief Personnel/Payroll Services Division	
RE: <b>SUSPENSION OF MOVING EXPENSE AND REPEAL OF BICYCLE COMMUTING REIMBURSEMENT EXCLUSIONS FROM TAXABLE WAGES</b>	
<p>The Tax Cuts and Jobs Act (TCJA), Public Law No. 115-97 signed into law on December 22, 2017 suspended the moving expense deduction and exclusion from income of qualified moving expense reimbursements provided by employers to employees or direct payment to moving company or other vendor. All such reimbursements are taxable under the new tax cut bill for tax years beginning after December 31, 2017, until December 31, 2025. The moving expense deduction and exclusion from income provision is allowed only to members of the Armed Forces (or their spouse or dependents) on active duty that move pursuant to a military order and incident to permanent change of station. The exclusion is available beginning in 2026.</p>	
<p>The tax bill also repeals the bicycle commuting reimbursement exclusion beginning for tax years after December 31, 2017, until December 31, 2025. Any employer reimbursements for bicycle commuting expenses are taxable to the employee and subject to payroll taxes and income tax withholding. The repeal of the exclusion does not apply after 2025.</p>	
<p>The new law on taxation of all employer-paid moving costs and bicycle commuter reimbursements will be published in the next update of the Payroll Procedures Manual.</p>	
<p>If you have any questions regarding this Payroll Letter, please contact Statewide Customer Contact Center at (916) 372-700 and select the Statewide W-2 Tax Support Program.</p>	
MR:JEB:EO:STSP:PPOB	

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## ANNEX F

### STATE CONTROLLER'S OFFICE—PAYROLL LETTER #18-021

STATE OF CALIFORNIA

BETTY T. YEE  
California State Controller

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P. O. BOX 942850  
Sacramento, CA 94250-5878

DATE: October 31, 2018

PAYROLL LETTER # 18-021

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Marissa Revelino, Chief  
Personnel/Payroll Services Division

RE: **ADDENDUM TO SUSPENSION OF MOVING EXPENSE EXCLUSION FROM TAXABLE WAGES UPDATE**

This payroll letter provides information and processing details on state qualified and non-qualified moving expense/relocation/mileage expenses.

As stated in Payroll Letter # 18-015, employer payments for qualified moving expense are excluded (non-taxable) from California and New York state income as Section 132 fringe benefits. However the type of payments that are exempt from state wage reporting and state income taxes withholding are limited to those moving/relocation/mileage expense reimbursements that satisfy the definition of qualified moving expenses, accountable plan rules and the "Time" and "Distance" tests under Section 217 of the Internal Revenue Code (IRC).

As a result, voluntary relocation, non-qualified moving/relocation expenses and moving mileage reimbursements exceeding the Federal Standard Mileage Rate (FSMR) for moves/relocations are reportable/taxable income subject to State Income wage reporting and State Disability (SDI) Taxes withholding.

Reporting for Non-Qualified State Moving Expenses after October 10, 2018 must follow the reporting instructions listed below so that California and New York PIT and SDI taxes are withheld.

#### REPORTING PRIOR MOVING EXPENSES

- Verify moving expenses reported prior to this date to determine if they are qualified and non-qualified.
- Complete corrections on forms STD. 676P and 675 forms and write the word "CORRECTED" in RED on the top right side of the forms.
- Attach original forms STD. 676P and 675. Write in bold RED on top right side of these forms the word "CANCELLED". Highlight the names of employees affected with needed corrections.

#### REPORTING INSTRUCTIONS

Agencies/Campuses should follow the instructions below in reporting **Qualified and Non-Qualified Moving/Relocation Expense (ITEM CODES MR/MN) and Qualified and Non-Qualified Moving/Relocation Mileage Expense (ITEM CODES MMM/MX)** on FORMS STD. 676P (see sample Form STD. 676P).

DOCUMENT

PROCESS

**FORM STD. 676P**

Reference the Payroll  
Procedures Manual (PPM),  
Section N 147 and  
Section N 170-176

Identify these reimbursements as:

ITEM CODE - **MR**

ITEM DESCRIPTION – **Moving/Relocation Expense  
(Qualified)**

ITEM CODE - **MM**

ITEM DESCRIPTION – **Moving/Relocation/Mileage Expense  
(Qualified)**

Federal Income, Social Security/ Medicare Taxes only are  
withheld. Leave the “State Code” in Column 8 Blank.

**FORM STD. 676P**

Reference the Payroll  
Procedures Manual (PPM),  
Section N 147

**MILITARY Qualified Moving Expense**

Write in **bold RED** on the top right side of the STD. 676P form the  
word “**MILITARY**”.

Identify these reimbursements as:

ITEM CODE - **MR**

ITEM DESCRIPTION – **Moving/Relocation Expense  
(Qualified)**

ITEM CODE - **MM**

ITEM DESCRIPTION – **Moving/Relocation/Mileage Expense  
(Qualified)**

Exempt from Federal and State Income, Social Security/Medicare and  
State Disability Insurance Taxes. Enter “Gross Amount Not Subject  
To Withholding” in Column 7. Leave the “State Code” in Column 8  
Blank.

**FORM STD. 676P**

Reference the Payroll  
Procedures Manual (PPM),  
Section N 147 and  
Section N 170-176

Identify these reimbursements as:

ITEM CODE - **MN**

ITEM DESCRIPTION – **Moving/Relocation Expense  
(Non-Qualified)**

ITEM CODE – **MX**

ITEM DESCRIPTION - **Moving/Relocation Mileage Expense  
(Non-Qualified)**

Federal and State Income, Social Security/Medicare, and State  
Disability Insurance Taxes are withheld. Enter “Gross Amount  
Subject To Withholding” in Column 6 and “State Code” in  
Column 8.

**FORM STD. 676P**  
Reference the Payroll  
Procedures Manual (PPM)  
Section N 147

**MILITARY Non-Qualified Moving Expense**  
Write in bold RED on the top right side of the STD. 676P form the  
word "MILITARY".

Identify these reimbursements as:

ITEM CODE – **MN**

ITEM DESCRIPTION – **Moving/Relocation Expense**  
(Non-Qualified)

ITEM CODE – **MX**

ITEM DESCRIPTION – **Moving/Relocation/Mileage Expense**  
(Non-Qualified)

Federal and State Income, Social Security/Medicare, and State  
Disability Insurance Taxes are withheld. Enter "Gross Amount  
Amount Subject To Withholding" in Column 6 and "State Code"  
in Column 8.

Report **Qualified Moving/Relocation/Mileage Expense (ITEM CODE MQ)** and **Non-Qualified  
Moving/Relocation/Mileage Expense (ITEM CODE ME)** on FORM STD. 675. See Sample FORM STD. 675.

**FORM STD. 675**  
Reference the PPM,  
Section N 147

Write in bold RED on the top right side of the STD. 675 form  
the following:

ITEM CODE – **MQ**

ITEM DESCRIPTION – **Moving/Relocation/Mileage Expense**  
(Qualified)

Federal Income, Social Security/Medicare Taxes only are  
withheld. Enter "Taxable Gross" Amount in Column 6, "Federal  
Income Tax" Amount in Column 7. Leave the "State Code" in  
Column 8 Blank and "State Income Tax" in Column 9 Blank.

Write in bold RED on the top right side of the STD. 675 form  
the following:

ITEM CODE – **ME**

ITEM DESCRIPTION – **Moving/Relocation/Mileage Expense**  
(Non-Qualified)

Federal and State Income, Social Security/ Medicare, and State  
Disability Insurance Taxes are withheld. Enter "Taxable Gross"  
Amount in Column 6, "Federal Income Tax" Amount in Column  
in Column 7, "State Code" in Column 8 and "State Income Tax"  
Amount in Column 9.

**FORM STD. 675**  
Reference the PPM,  
Section N 147

**MILITARY Qualified Moving/Relocation/Mileage Expense**  
Write in bold RED on the top right side of the STD. 675 form the  
word "MILITARY".

Identify these reimbursements as:

**ITEM CODE - MQ**

**ITEM DESCRIPTION – Moving/Relocation/Mileage Expense (Qualified)**

Exempt from Federal and State Income, Social Security/Medicare and State Disability Insurance Taxes. Enter “Non-Taxable Gross” Amount in Column 11. Leave the “State Code” in Column 8 Blank.

**MILITARY Non-Qualified Moving/Relocation/Mileage Expense**

Write in bold RED on the top right side of the STD. 675 form the word “**MILITARY**”

Identify these reimbursements as:

**ITEM CODE – ME**

**ITEM DESCRIPTION – Moving/Relocation/Mileage Expense (Non-Qualified)**

Federal and State Income, Social Security/ Medicare, and State Disability Insurance Taxes are withheld. Enter “Taxable Gross Amount in Column 6, “Federal Income Tax” Amount in Column in Column 7, “State Code” in Column 8 and “State Income Tax” Amount in Column 9.

**Note: Separate STD. 676P or STD. 675 Forms must be submitted for each ITEM CODE for Qualified Moving and Non-Qualified Moving Expense.**

Revisions to the Payroll Procedures Manual are forthcoming.

If you have any questions regarding this Payroll Letter, please contact the Statewide Customer Contact Center at (916) 372-7200 and select the Statewide W-2 Tax Support Program.

MR:AR:EO:TSS:STSP:PPOB

Attachments: STD. 676P and 675 Sample Forms