



Office of the NEW YORK
STATE COMPTROLLER
NYS Comptroller Thomas P. DiNapoli

State Agencies Bulletin No. 1698

Subject

New Payroll Process and New Time Entry Codes for the Payment of Moving Expense Reimbursements Beginning January 1, 2019

Date Issued

December 18, 2018

Purpose

To provide agencies with instructions for the new Time Entry earnings codes to be used for reimbursement of employees' qualified moving expenses and to provide instructions for required documentation

Affected Employees

Employees who have moving expenses reimbursed starting January 1, 2019

Background/Eligibility

Under the previous tax law, qualified employees could deduct the reasonable costs of moving expenses. The Federal Tax Cuts and Jobs Act signed into law on December 22, 2017 suspends the moving expense deduction for tax years beginning after December 31, 2017 through December 31, 2025. As a result, the reimbursement of moving expenses must now be included in an employee's federal taxable gross and applicable taxes must be withheld.

NOTE: Moving expense reimbursements are not subject to New York State or Local withholding taxes.

Starting January 1, 2019, moving expense reimbursements will be processed through PayServ. Agencies will no longer submit these transactions through SFS.

Moving Expense Reimbursement Information State Finance Law sections 202 and 204 authorize the reimbursement of basic moving expenses incurred by eligible State employees, and eligible new appointees to a department or agency of the State, in transporting themselves, their families and household effects to their new places of residence. Such moving reimbursements are subject to regulations issued by the Division of the Budget in Title 9, Parts 154 and 155 of New York Codes, Rules, and Regulations (NYCRR). The regulations are also recorded in Budget Policy and Reporting Manual items G-200 and G-205. NYCRR Part 154 establishes moving expense regulations for Management/Confidential employees.

NYCRR Part 155 establishes moving expense regulations for employees in negotiating units represented by employee organizations which negotiate pursuant to article 14 of the Civil Service Law. Please refer to NYCRR Parts 154 and 155 for information about eligibility for reimbursement of moving expenses and allowable moving expenses.

Moving Mileage Rates

Employees eligible for reimbursement pursuant to NYCRR Parts 154 and 155 shall be reimbursed for actual and necessary moving expenses in an aggregate amount not in excess of \$3,000 for allowable moving expenses (SUNY and CUNY are NOT limited to the \$3,000 maximum). Subject to the \$3,000 limit, eligible employees or appointees will be reimbursed for the cost of transportation of the employee or appointee and their families to the new location at the rate paid by the State for the use of personally owned automobiles on official business. The mileage must be measured by the shortest highway route between the two places of residence. The mileage rate for personally owned automobiles on official business for

2018 is 54.5 cents per mile, as established in Internal Revenue Services (IRS) Notice 2018-03. Please refer to NYCRR sections 154.2 and 155.2 for more information on allowable moving expenses.

Effective Date(s)

Reimbursements may be made in PayServ beginning:

- Institution paychecks dated January 3, 2019
- Administration paychecks dated January 9, 2019

Required Documentation

In order to reimburse an employee, the following documentation must be completed, scanned and emailed to Payroll Earnings. Agencies **MUST** put their agency code and '*Moving Expense Reimbursement*' in the subject line of the email:

- AC 1099-S Request/Agreement for Moving Expense Reimbursement
- Bill of Weight or Freight Bill from Carrier
- Receipts from Rental Truck (If applicable)
- Other documents required by item numbers G-200 and G-205 of the Division of Budget's Budget Policy & Reporting Manual
- A copy of the letter from Civil Service stating there exists in New York State a shortage of qualified candidates for a position, if applicable (Executive agencies ONLY)

Documents must be retained by the agency for a minimum of **6** years.

OSC Actions

The Office of the State Comptroller (OSC) has created two new Time Entry Earnings codes:

TME (Taxable Moving Expense), to be used for paying moving expense reimbursements by New York State Executive Agencies

UME (University Moving Expense), to be used for paying moving expense reimbursements by the State Universities of New York (SUNY) and the City Universities of New York (CUNY)

Agency Actions

To pay the taxable moving expense reimbursement to eligible employees, agencies must submit the following information in the Time Entry interface (NPAY502) or the Time Entry page using the appropriate Earning Code:

Earnings Begin Date:	First day of the Pay Period employee is eligible to receive payment
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Earnings End Date:	Same as above
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Earn Code:	TME
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Amount	Up to \$3000
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Or

Earnings Begin Date:	First day of the Pay Period employee is eligible to receive payment
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Earnings End Date:	Same as above
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Earn Code:	UME
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Amount	As determined by the campus or main office
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Tax Information

The Taxable Moving Expense reimbursement payments are supplemental taxable income and will be included in the employee's taxable gross subject to employment taxes and income taxes. Income taxes will be calculated using the employee's current Marital Status and withholding allowances on the Update Employee Tax Data page.

Federal income tax withholding will be calculated using the Aggregate method.

The payment is not subject to New York State or Local taxes.

Questions

Questions regarding this bulletin may be directed to the Payroll Earnings mailbox.

Questions regarding taxes may be directed to the Tax and Compliance mailbox.