

26 Relocation Costs

26.1 Purpose

This policy establishes requirements regarding reimbursement of interview expenses and relocation costs of new appointees and civil servants transferred on an optional or compulsory basis.

26.2 Policy

Reimbursement for interview and relocation expenses up to established limits may be made to effect the most suitable recruitment effort. It is expected that [employees](#) and new appointees will make travel and relocation arrangements in such a way as to keep expenses to a minimum.

26.2.1 Interview Expenses Eligibility

Reimbursement for qualifying expenses may be provided to candidates attending employment interviews, provided that the interview is held outside of the metropolitan area where the candidate resides. All approvals must be confirmed in writing prior to the interview.

Qualifying expenses are:

- Vehicle Travel – the most direct route at the rates shown in [Table 21.1.](#), or airfare if this is less costly than the kilometric rate.
- Meals – actual cost up to the maximum levels shown in [Table 16.1.](#)
- Accommodation – maximum of two nights in a standard single room without additional charges for extra services. The [employing authority](#) should advise which [hotels](#) are suitable.

26.2.2 Relocation Process

Discussion with Branch Head/Employing Authority

Arrangements concerning the proposed transfer are finalized with the Branch Head/Employing Authority. The discussion should examine possible arrangements concerning any related matters affecting the transfer, i.e. sale and purchase of property and family arrangements.

Effective Date of Transfer (EDT)

An EDT needs to be determined before final arrangements are made concerning transfer or removal.

Written Estimate Submission

A detailed written estimate of all probable costs to be compensated will be prepared and reviewed by the Employing Authority. Further review may be required concerning sales and purchase of residential property.

Figure 26.1. Relocation Process

26.2.3 Relocation Expense Eligibility

- New appointees, transferred [employees](#), and employees on educational leave, secondment or similar leave of absence assigned to employment that requires relocation, may be provided reimbursement for relocation if the new work location is more than 40 kilometres from the former work location, and the employee's residence to work distance increases.
- Individuals in temporary, [contract](#) or departmental positions qualify , if:
 - a written authorization from the [Department Head](#) is provided; and where the position is expected to continue for not less than two years and is authorized by Treasury Board.
 - recruitment cannot be carried out from within the area, the Program justifies the additional expense, and following written authorization by the [employing authority](#). In this case the return transportation costs and limited cartage of personal effects for the appointee only (not dependents) at the most economical rate may be paid by the department or agency.
 - within the first year of employment, the employee is selected for a regular civil service position and where costs have not already been reimbursed.

26.2.4 Advances

An [employee](#) may request an advance of up to 60% of the individual’s gross bi-weekly salary to assist in meeting costs incurred while travelling to a new work location. The department will deduct any outstanding amount from the employee’s pay cheque after 60 days from the date of issue.

26.2.5 Time Limits

26.2.5.1 Time of Claim

Claims are only acceptable up to six months (180 days) after the [Effective Date of Transfer \(EDT\)](#). The [employing authority](#) must approve any request for extension and the [Department Head](#) must approve all claims beyond the six-months in writing. A recommendation may be submitted to [TBS](#), if the Department Head determines that reimbursement of a particular relocation cost not covered by this policy is required.

26.2.5.2 Termination Before Two Years

New appointees who receive reimbursement for relocation expenses but do not remain in the employ of the Province of Manitoba for a two year period must repay to the government, prior to their departure, a pro-rated proportion of the reimbursement received according to the formula presented in [Figure 26.2](#). below. This amount must be repaid before the [employee](#) is entitled to receive a final pay cheque.

The reimbursement of relocation expenses may be restricted for employees who remain in the employ of the Province of Manitoba but accept another position elsewhere within government.

By accepting reimbursement, the employee has accepted the above conditions. This requirement will not, subject to the recommendation of [PSC](#), apply to any employee if dismissed through no fault of the employee.

Pro- rated Calculation (note weeks = calendar weeks):

(104 weeks)	(no. of completed weeks since commencement of employment)	X	Total amount of reimbursed for travel and removal expenses on appointment
minus	104		

Figure 26.2. Pro-rated Reimbursement Calculation

26.2.6 General Relocation Expenses

26.2.6.1 Travel Expenses

The cost of transportation, accommodation, and meals associated with the removal (relocation) trip will be reimbursed at the rates contained in the [Sections 15–17](#) in accordance with the criteria specified in [Table 26.1](#) below.

Consultation between the [employee](#) or new appointee and the [employing authority](#) is required to discuss whether a pre-relocation (home search) trip is necessary. The employee or new appointee (and [spouse](#)) may be eligible for a pre-relocation trip to provide an opportunity for the employee to arrange for accommodation at the new location. Where a pre-relocation trip has been determined necessary, the cost of transportation, accommodation, and meals associated with the pre-location trip will be reimbursed at the rates contained in [Sections 15–17](#) in accordance with the criteria specified in [Table 26.1](#) below.

Table 26.1. Policy for Pre-location Trip and Actual Removal

Pre-location Trip (Home Search Trip)	Actual Removal (Relocation)
<ul style="list-style-type: none"> • Duration of the trip for the employee or new appointee and spouse must not exceed four nights. • If the new location is within a distance that permits one-day trips, the total cost of all trips must not exceed the cost of a single trip with four-night accommodation. 	<ul style="list-style-type: none"> • The actual cost of travel for the individual and family by the most suitable public carrier at Economy or equivalent rates will be reimbursed; or rates in the GEMA for reimbursements of vehicle travel by the most direct route. An assigned fleet vehicle may be used. • Reimbursement for transportation to and from the airport or other transport terminal by the most economical means will be provided. • Reimbursement for breakfast, lunch and dinner for the employee and dependents at actual cost up to the maximum amounts in accordance with the levels shown in Table 16.1 will be provided. • Duration of the trip must not exceed five-night accommodation in standard rooms for the individual and dependents if there was a pre-location trip, and nine-night accommodation if there was no pre-location trip. Individuals should check with the employing authority as to suitability and price before making arrangements. No reimbursement for additional charges, such as poolside room, will be provided.

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26.2.6.2 Movement of Household Goods and Vehicles, and other Related Allowable Expenses

[Table 26.2.](#) below specifies the policy regarding the reimbursement of moving household goods and [vehicles](#) and other related allowable expenses provided to [employee](#) or new appointee during relocation.

Table 26.2. Policy for the Movement of Household Goods and Vehicles and other Related Expenses

Movement of Household Goods and Vehicles	Other Related Allowable Expenses
<ul style="list-style-type: none"> • The individual is responsible for arranging for removal of household effects. Two written estimates should be obtained. • A Household Goods Carrier is normally used. If other arrangements are considered as more economical, actual cost is reimbursed but limited to the maximum payable when a Household Goods Carrier was used, unless prior approval was given by the employing authority. • The employee must arrange direct government billing with the Carrier, and advice of the GST Exemption Number for the Provincial Government. • The Carrier selected should accept the following conditions: <ul style="list-style-type: none"> - The submission of a complete estimate of costs, including all charges for packing, cartage, insurance, etc. - That without an Expedited Service charge, delivery will normally be within 24 hours of the estimated day and time. - Variation to this would always be acceptable under extreme weather conditions, or when delivery is made to a location north of the 53rd degree parallel. - An agent of the carrier must be within a reasonable distance of the point of delivery to perform destination services such as unpacking and claim settlement. 	<ul style="list-style-type: none"> • Loading household effects from the former residents, cartage and transportation, delivery to and unloading at the new residence at the applicable tariff rate. • Cost of mattress and wardrobe cartons, cartons or china barrels as provided by the carrier. • Crating, packing and unpacking of china, glass and breakable items by movers. • Full replacement insurance coverage. • Storage-in-transit of household effects if more economical. • Freight cost, preferably 'car-go-rail' for one or two vehicles and other transportation costs for the individual and dependents will be allowed where the personally owned vehicle cannot reasonably be driven to the new location. • Payment for special items of household effects not included in the definition require prior approval of the Department Head. • In the case that a mobile home is the employee's normal residence, the cost of moving a mobile home that requires a 'highway moving permit' or cannot be towed behind the employee's vehicle will be reimbursed.

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26.2.7 Transfers

Additional costs associated with compulsory and temporary transfers are eligible for reimbursement.

26.2.7.1 Compulsory Transfer

The [EDT](#) shall be determined in accordance with the requirements of [GEMA](#) (or equivalent) and shall be the basis for timing considerations as outlined in this policy.

[Table 26.3.](#) below specifies the policy relative to [compulsory transfers](#). These policies may apply as Management Options to all [optional transfers](#) as described in [Section 26.2.7.2](#) of this policy.

Table 26.3. Policy for Compulsory Transfers

Provisions	Policy
Disturbance Allowance	<ul style="list-style-type: none">An amount equivalent to the bi-weekly salary of the employee will be paid as assistance towards payment of miscellaneous expense in connection with a move following a compulsory transfer. The bi-weekly salary is deemed the salary in effect on the EDT. <p><u>Limitations:</u></p> <ul style="list-style-type: none">A single disturbance allowance at the higher salary rate of the two employees will be the applicable rate, if both employee and spouse are employed by the Provincial government in departments or agencies to which this policy applies.An amount equivalent to one-half of the bi-weekly salary of the employee will be paid as a general disturbance allowance, if the employee does not occupy a self-contained establishment of a least two rooms, or in the case of the owner or the occupier of a relocated mobile home.
Temporary Living Expenses	<ul style="list-style-type: none">Departments and affected employees are expected to complete relocations, including a change in residence location, as promptly as possible. Alternative arrangements, such as commuting to the new location pending completion of relocation, may be more suitable and should be adopted where less costly than the provisions listed in this table.Authorization from the Department Head must be obtained for such other arrangement and may extend for a maximum period of 90 days following the EDT.

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Provisions	Policy
Claims Related to Travel Status prior to EDT	<ul style="list-style-type: none"> • The employee is considered to be in 'travel status' when an employee is required to commence work at the new location prior to the effective date and may claim authorized expenses. • The employee is to obtain boarding house accommodations or equivalent weekly or monthly rates for lodging for periods of more than 15 days, when required.
Temporary Accommodation Expenses	<p>Where the removal from the former residence to the new residence cannot be arranged within the four-night stipulation for overnight accommodation, claims for further temporary accommodation may be allowed as follows:</p> <ul style="list-style-type: none"> • accommodations and meal expenses up to a maximum of 15 days • a second period, beyond the noted 15 days of another 15 days of accommodations only, at weekly or monthly rates • storage of household effects for up to 30 days may be claimed where temporary accommodation is approved • where an alternative housing arrangement, such as temporary accommodation, can be shown to be less costly than the estimated claim under the provisions shown above, providing the alternative costs are documented, may be approved by the Branch Head
Maintaining Original Residence after EDT	<ul style="list-style-type: none"> • A special provision may be made with prior approval of the Department Head when an employee is unable to arrange for the sale of the home or it is inadvisable to move the family before end of the school term. • The employee's lodging, not including meals, at the new accommodations will be paid for a period up to 70 days or two calendar months. In exceptional cases, the Department Head may extend this period up to a further 60 days but at 75% of the previous rates. This allowance is an alternative provision for accommodation and meal expenses covered in the 'Temporary Accommodation' provision.
Residential Property Sale Costs*	<ul style="list-style-type: none"> • Before the employee finalizes arrangements for disposal or acquisition of residential property arising from relocation, particularly concerning any matter that will result in claim for reimbursement, a prior estimate of costs and proposed arrangements must be discussed with the employing authority or official appointee. All arrangements must be authorized in writing. • The employee must ask a price, which represents fair market value in that location. An estimate of fair market value must be obtained from at least two real estate agents. The cash down payment requested should not exceed 25% of the market value.

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Provisions	Policy
Expenses Related to Vacating Rented Accommodations	<p>Claims regarding rented or leased accommodations may be allowed, where:</p> <ul style="list-style-type: none"> • severance of a lease cannot be arranged to concur with the relocation within the allowed period for temporary accommodation, (see Temporary Accommodation), lease liability compensation at the residence being vacated, including necessary advertising costs for sub-leasing. • in order to secure a sub-lease a lesser rental must be accepted, the difference, up to the total of one-month's full rental of the residence being vacated. • to secure accommodation at the new location, an overlap of rent payments occurs, compensation for the rental of the residence being vacated.
Expenses Related to Vacating Owned Accommodations	<ul style="list-style-type: none"> • Claims regarding owned accommodations (house or mobile home where applicable) in accordance with the following may be allowed: <ul style="list-style-type: none"> - Legal fees in an amount consistent with the Provincial Law Society Tariff* plus related disbursement. - Real estate agents commission are not to exceed the local tariff as filed with the Manitoba Real Estate Association. Separate appraisal fees are claimable only if they are required by the lending institution. - Cost of advertising or related expenses, where the employee undertakes the sale of the residence up to the maximum allowable were a realty agent employed, and provided that there is no real estate agent commission claim. - Cost of interest bonus and/or other penalty relative to a mortgage pre-payment if this had been included in a mortgage contract. - Cost on non-recoverable expenses (utilities' costs, interest portion of mortgage payments and property insurance, not contents) on vacated property during the 30 to 60 day-period following vacancy, where the premises remain unoccupied due to removal to the new location. • In the opinion of the Department Head, the sale of the employee's residence involves more than a single family dwelling with commensurate lot for an urban or rural area, the above items will be allowed on the basis of the comparable value of a six-room private home in the area of the sale, as estimated by real estate agents in the area.
Costs Related to Acquiring New Accommodations**	<ul style="list-style-type: none"> • Claims regarding legal fees in drawing up or reviewing a lease on rented or leased accommodations will be allowed.

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Provisions	Policy						
	<ul style="list-style-type: none"> • Claims regarding owned accommodation (house or mobile home) in accordance with the following may be allowed: <ul style="list-style-type: none"> - Reimbursement costs approved under this provision will be based on a purchase price of the new home, which is not more than 20% higher than the sale price of the former home. - Where an employee was formerly in owned accommodation and on removal purchases a new home, legal fees in an amount consistent with Manitoba Law Society Tariff* plus related itemized disbursements will be reimbursed. This can apply to the lot only or the complete property of residence and lot. - Where an employee was formerly in rented accommodation and on removal purchases or builds a home for his own use, legal fees on the purchase of the new home will be limited to that applicable to a \$100,000.00 purchase plus related itemized disbursements. - Reimbursement of interest costs on a loan to cover interim financing for the period of the loan will be provided, but such period must not exceed 60 days. The principal amount of the claimable loan must not exceed a figure equivalent to 25% of the purchase price. As an option, any combination of principal and period of time, say, 50% for 30 days, will be accepted provided that amount does not exceed the figure if 25% for 60 days had been used. 						
Mobile Home	<p>Reimbursement will be provided for:</p> <ul style="list-style-type: none"> • commission or other purchase costs associated with obtaining a site. • site preparation costs such as erecting skirting and entry porch or cabana, connecting septic tanks, if necessary, and utility hook-up but not including installation of a new service. Extending service and new meters are allowable. • moving costs such as disconnection of services, dismantling of skirting and entry porch and/or cabana. 						
<p>NOTES:</p> <p>*Residential Property Sale:</p> <p>a) In establishing a sale price, it should be considered that both real estate commission and legal fees (often included when determining a sale price) are recoverable from the Department (under <i>Accommodations being Vacated</i>).</p> <p>b) Guidelines for legal fees related to the disposal or acquisition of residential property are as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">- up to a price of \$15,000.00</td> <td style="width: 30%;">- \$150.00</td> </tr> <tr> <td>- exceeding \$15,000.00 Up to \$20,000.00</td> <td>- 1%</td> </tr> <tr> <td>- exceeding \$20,000.00 Up to \$200,000.00</td> <td>- \$200.00 Plus ½ of 1% on the excess over \$200,000.00</td> </tr> </table> <p>- When the mortgage is assumed, the legal fees should be less than indicated above.</p> <p>**New Accommodations:</p> <p>Architects survey or appraisal fees, unless a legal requirement relative to the purchase or a requirement of the lending institution and so identified with the claim for reimbursement, cannot be claimed. Lawyers' interest charges on late payment cannot be claimed.</p>		- up to a price of \$15,000.00	- \$150.00	- exceeding \$15,000.00 Up to \$20,000.00	- 1%	- exceeding \$20,000.00 Up to \$200,000.00	- \$200.00 Plus ½ of 1% on the excess over \$200,000.00
- up to a price of \$15,000.00	- \$150.00						
- exceeding \$15,000.00 Up to \$20,000.00	- 1%						
- exceeding \$20,000.00 Up to \$200,000.00	- \$200.00 Plus ½ of 1% on the excess over \$200,000.00						

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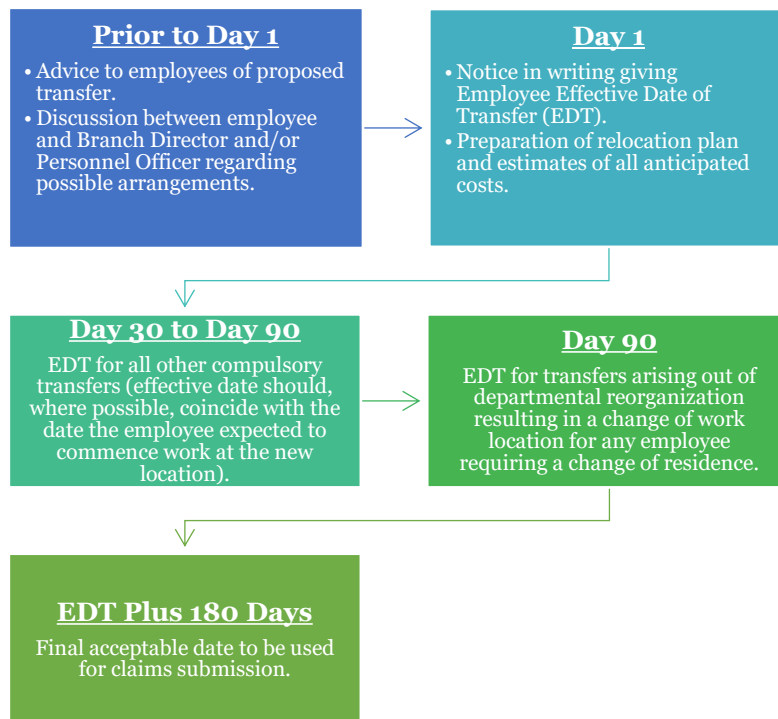


Figure 26.3. Timetable of Events for Compulsory Transfers

26.2.7.1.1 Inability to Sell

The [employee](#) is expected to dispose of their former accommodation through personal efforts and in accordance with this policy, and particularly with regard to the ‘Residential Property’ provision. Careful preparation of the residence and lot and realistic pricing will normally attract an acceptable offer without undue delay. Where these efforts have been unsuccessful, the provisions of this section will apply.

These procedures may be adopted, following written approval by the [Department Head](#), not less than 90 days after written notice of the transfer has been given to the employee by the [employing authority](#), and not before the [EDT](#).

Where the location of the residence is in an area where government activities are continuing or expanding, there is a possibility that other employees or the government may be interested in purchasing. If there is such likelihood, the department should canvass other departments accordingly.

[Table 26.4.](#) below specifies the process and policy in regards to the provisions relative to [compulsory transfers](#) only. These provisions are not applicable [optional transfers](#) or to new appointees.

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Table 26.4. Process in the Event Employee is not able to Sell Their Home upon Transfer

Process	Policy
Appraisal and Subsidy	<ul style="list-style-type: none"> • The employing authority, on behalf of the employee, will request an appraisal of the property based on market value at that location. The appraisal should be relevant to the EDT or within 30 days thereafter. If RESD is used, the appraisal will be submitted to the Land Value Appraisal Commission for certification and acceptance of the appraisal report. • The certified valuation will be submitted to the Department Head, who will review this in the light of the attempts made by the employee to sell the home. Provided that the employee's final acceptable price as shown on an Offer for Sale is within 10% of the certified valuation, the employee will be offered a subsidy by the department to compensate for forced sale at less than market value in order to expedite the move. If these provisions are not met, no further action will be taken by the department to assist the employee. • This subsidy will initially be in the form of a loan of up to 10% of the certified valuation. The amount paid to the employee (that is, the actual amount of subsidy) will be the difference between the eventual sale price and the certified valuation up to the amount of 10% of the certified valuation, and will be paid following submission of the Sale Agreement to the Department Head.
Employee Action	<p>The employee should immediately try to market the residence at a price up to 10% lower than the appraised value since the difference between sale price and appraised value will be recovered by the employee together with related costs of the sale. Any offer up to 15% below the appraisal value should be referred to the employing authority before refusal.</p>
Treasury Board Consideration	<ul style="list-style-type: none"> • If 180 days after the EDT the employee is unsuccessful in selling the home, and has met the above conditions, the employee may apply through the Department Head for further consideration. This application must be made within 240 days of the EDT. • The department will review all the circumstances concerning the transfer and attempts made to dispose of the property. Alternative actions will be discussed with TBS in the light of similar cases, and department will submit proposals to Treasury Board.
Reimbursement Cost	<p>Cost related to the unsuccessful attempt to sell a property, either where the employee decides, following the EDT and with the approval of the Department Head, to rent, or where alternative action not involving a sale is approved by Treasury Board, will be reimbursed in accordance with the applicable categories in this policy.</p>

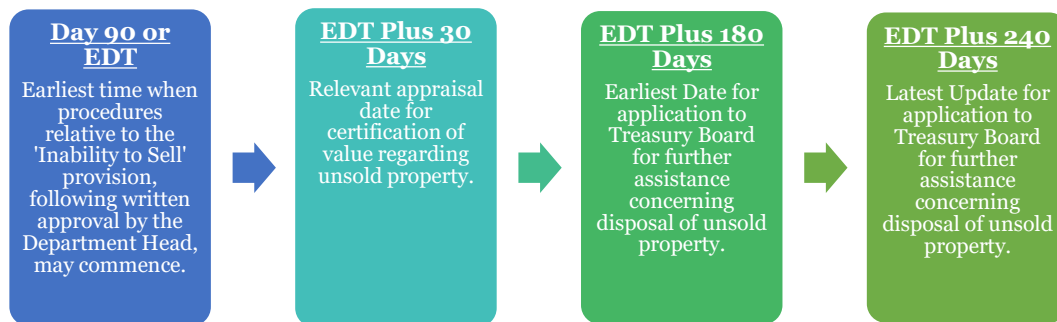


Figure 26.4. Timetable of Events for Inability to Sell

26.2.7.2 Optional Transfer

All the provisions in [Table 26.3](#), will apply as Management Options to all [optional transfers](#). In some instances, although the move is optional to the individual, it is viewed as highly desirable by the department involved and therefore other avenues of reimbursement may be necessary to effect the most suitable recruitment effort. The Department will provide in writing the details of its [commitment](#) to the [employee](#) once approved by the [Deputy Minister](#) or [Department Head](#).

In applying any one of the compulsory options, the Department should take the following into account during its recruitment arrangement:

- the benefit to the department selecting that individual
- the level of the position
- the degree of recruitment difficulty
- the personal situation of the employee, including the type of accommodation and the kinds of services that person had at the former location, and any financial advantage or disadvantage to be experienced because of the relocation
- the cost and reasonableness of specific or general level of expenses incurred and claimed

26.3 Accountability

[Deputy Ministers \(and equivalents\)](#) are responsible for ensuring that items specifically excluded for payment in another policy (e.g. [membership fees](#)) are not offered to a successful candidate.