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## Relocation Allowance

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### **Purpose:**

A relocation allowance provides funds to cover expenses associated with moving to a new work location as part of accepting employment at Texas A&M University. The allowance is a fixed dollar amount, detailed in the offer letter, and payable once the employee has been fully on-boarded in the Workday system. A relocation package normally covers all or part of the financial costs of moving, house hunting, and other incidentals.

Allowances are considered supplemental compensation per IRS guidelines. Supplemental compensation will be taxed at a rate as determined by the IRS. Because this is not a reimbursement, employees are not required to provide receipts for goods or services. The allowance is not “grossed up” and must be sourced from local funds; no state funding may be used.

All new faculty, including academic professional track, arriving from out-of-state will normally be offered the following relocation allowance:

- Professor \$20,000
- Associate Professor \$15,000
- Assistant Professor \$10,000

International, in-state and visiting faculty relocation allowances may vary and determined on a case-by-case basis in consultation with the dean as offers are reviewed and approved.

Staff relocation allowances will be applied equitably within departments and will normally not exceed 10% of the annual base salary.

### **Suggested offer letter language:**

*A one-time supplement in the amount of \$xx,xxx will be paid to you to cover the financial costs of moving and other considerations with your relocation. The relocation allowance is payable once you have arrived on campus and fully processed as a new employee after your official start date. The payment will be regarded by the U.S government as taxable income and we suggest that you consult with a tax expert if you have questions or concerns.*

See also: Standard Administrative Procedure (SAP) [31.01.99.M0.03](#) – Relocation Allowance for Staff and Faculty Equivalent Positions. Approved March 7, 2023