

Missouri Department of Transportation



Employee

Relocation Handbook

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| **NOTICE**This Employee Relocation Handbook is provided for informational purposes only. No provision or portion of the handbook constitutes an implied or expressed contract, guarantee, or assurance of specific relocation benefits. If you have questions concerning anything in this handbook or the Personnel Policy 2000, “Relocation Assistance,” please talk with your local human resources representative.  |

**IRS 50-MILE RULE**

One of the department’s requirements for an employee to be eligible for relocation benefits is that the move must meet the IRS 50-mile rule. This rule states:

**The distance between your former residence and your new work location must be at least 50 miles farther than the distance between your former residence and your old work location.**

If your move will not satisfy the IRS 50-mile rule, you will not be eligible for relocation benefits. The decision about whether or not your move will satisfy the IRS 50-mile rule should have been made before you accepted the transfer. If a decision has not been made yet on this issue, please contact the human resources office at your new location immediately to confirm your eligibility status.

**Relocation Repayment Agreement Form**

Employees who are eligible to receive relocation benefits will be required to sign a P-24, “Relocation Repayment Agreement Form,” prior to receiving any relocation benefits.

This agreement form stipulates that should an employee leave employment from the department either voluntarily or involuntarily during their relocation or within 12 months from receiving their relocation lump sum, they will be required to repay the department monies owed as described within Personnel Policy 2000 and the agreement form.

**Should an employee refuse to sign the form, relocation benefits will not be paid to the employee**.

**INTRODUCTION**



Congratulations on your upcoming relocation. This will be an exciting and challenging time as you prepare for your move. We hope this handbook and the relocation benefits and services provided in Personnel Policy 2000, “Relocation Assistance,” will make your move as smooth as possible.

Please know that your levels of benefits are determined by the status of your current living arrangement. If you are currently a homeowner and you want to sell your home you will be considered a “homeseller” and have a choice of two ways /processes for selling your home and will receive “homeseller” level benefits. If you’re currently a renter, mobile home owner or a homeowner who does not want to sell current home (non homeseller) you are eligible for a different level of benefits.

For home sellers, one option for selling your home is to use the department contracted third-party administrator (TPA), Nexus Relocation Group, and to utilize the Buyer Value Option (BVO) process. The primary services Nexus will provide are as follows:

* Home sales marketing
* BVO services
* Household good movement.

Central Office – Human Resources Division will refer employees who are eligible home sellers and have elected to sell their home through the BVO process to Nexus. Employees should not contact Nexus until authorized to do so by Central Office – Human Resources Division. Central Office – Human Resources Division will make this referral only after a relocation policy counseling session has occurred with the employee

**The other option home sellers have to use is the non- TPA/BVO services for their relocation and/or home sale. Please refer to Personnel Policy 2000, “Relocation Assistance” for details to the non-TPA/BVO relocation option and/or contact your Human Resource representative for more information.**

 **DELAYED TRANSFER**

Employees who are approved for relocation expenses will be eligible for delayed transfer benefits, assuming they are not able to make arrangements to move before their assignment begins at the new location. During the first couple of months that you will be working at the new location, while making arrangements to move, you will be allowed to stay in a hotel/motel during each workweek. You might be able to stay in an apartment, provided the rent and utilities of the apartment are not more expensive than an average priced hotel/motel in the area. The determination/final approval for hotel/motel/apartment resides with district/division management. Meals are not reimbursable if in temporary apartment.

If you move to a different location within your current district, you may not be eligible for meals while on delayed transfer. Please ask your local Human Resource about this if you relocate within your current district. Lunch is not a reimbursable meal under any circumstance when in delayed transfer status.

You will also be allowed return trips to your old home on weekends in a department vehicle or will be provided mileage reimbursement at the current rate for using your personal vehicle.

A district/division with Central Office – Human Resource approval may in certain cases allow use of a MoDOT pool vehicle and/or daily mileage reimbursement in lieu of being reimbursed for hotels/apt and meals.

Delayed transfer benefits will be provided for up to six months for home sellers and up to three months for renters and non-home sellers. Please note that under certain conditions, delayed transfer benefits will stop in less than six/three months. See the policy for details about these conditions. An example of this would be that if a home seller purchases a home at the new location before selling the old home within the first six months. Under these circumstances, the employee may be moved from delayed transfer to dual housing status. In this case, the combined time in one or the other status cannot exceed six months and you cannot be in both delayed transfer and dual housing status at the same time.

**HOMEOWNERS**



Homeowners, please read the HOMESELLERS section of this handbook before contacting a real estate broker/agent. Your benefits related to the sale of your current home may be affected if you contact a real estate broker/agent too soon.

 **and Read**

 **Homeowner Benefits**

Homeowners will be eligible for all or most of the following services and benefits, based on conditions stated in Personnel Policy 2000, “Relocation Assistance:”

* Policy counseling;
* Temporary housing while in delayed transfer status
* \*Home sales assistance (realtor fees / closing costs)
* \*Bridge/equity loan interest reimbursement
* \*Mortgage interest rate differential payments
* \*Dual housing payments;
* New home purchase closing cost reimbursement ( homeowners only)
* Movement of household goods
* Paid time off during house-hunting trips, to close on the sale of the current and purchase of the new homes, and while household goods are being moved;
* Hotel/motel, meal, and travel expenses during house-hunting trips, trips to close on the sale of the current and purchase of the new homes, and while household goods are being moved;
* A temporary 4 percent increase for the first six months after the effective date of transfer; and
* A lump sum payment when his/her move is complete (provided the employee is still employed with the department).

\* Only available to employees who are selling their homes.

The temporary 4 percent increase is intended to provide money to assist with incidental expenses, such as unhooking and re-hooking cable television and/or appliances, and covering most of the travel expenses of a spouse and children during house-hunting and other trips. The lump sum payment after the move is complete is intended to assist with the increased tax liability employees may have related to some of the services and reimbursements provided during the move. Nexus will coordinate the BVO home sales assistance and moving of household goods for employees selling their homes. The Human Resources Division, Business and Benefits Services, or Financial Services Division staff will handle all other services and benefits.

**HOMESELLERS**

 **TPA/BVO – Broker Referral**

Eligible employees who own their homes (excluding mobile homes and certain modular homes) can **use the BVO process as administered by Nexus** for the sale of their current home. It is extremely important for homeowners to contact the assigned Nexus Consultant before contacting a real estate broker. You should let the Nexus Consultant know which real estate agent you would like to work with for the sale of your current home. If you do not have a real estate agent in mind, your Nexus Consultant will find one for you. The Nexus Consultant will then register the referral with the real estate agent for you and will be involved until your current home is sold. If you fail to use a registered Nexus real estate agent for your home sale or for your new home purchase you will be assessed referral fees of $1,500.00 that will be your responsibility for personal payment.

Your listing agreement with a realtor must include a Broker Exclusion Clause. The exclusion clause protects the department from having to pay a broker’s commission should you accept the offer presented by Nexus. The realtor will be given an original Broker Exclusion Clause to sign and return to the consultant. In addition to the exclusion clause, the realtor will be required to acknowledge and sign a Referral Clause, which acknowledges that Nexus is referring a customer (you) to them, and the realtor will pay a referral fee to Nexus. Both of these clauses are part of the process that helps the department provide better services to you without higher costs.

The collection of referral fees by Nexus helps reduce the overall relocation costs for the department. Also, by using Nexus in the sale of the current home and purchase of the new home, some of the costs employees would normally have to pay might be avoided. In particular, using Nexus in the sale of your current home will result in you not having to pay taxes on the realtor fees associated with the sale of your current home. Please note that when using Nexus (TPA/BVO process), all realtor fees associated with the sale of your home are paid/covered.

Homesellers will have a choice of whether or not to use Nexus. However, employees who do not use Nexus in the sale of their current home and for the purchase of the new home will not be eligible for the same level of services and benefits as employees who utilize Nexus. One example noted in the policy is that reimbursement of realtor fees will be limited to a maximum of $10,500 for employees who do not use the TPA (Nexus) in the sale of the current home. Also, employees who do not use Nexus in the sale of their current homes will not be provided any assistance with the tax liability they will have when they are provided reimbursement for realtor fees.

If an employee should withdraw from the TPA process after electing to utilize the process, as defined by Personnel Policy 2000, “Relocation Assistance,” the employee may be charged cancellation fees, service fees, and/or $1,500 referral recovery fees.

### TPA/ BVO - Process

Receiving the best possible price and coordinating your home sale are vital concerns. Nexus will provide Home Sale Assistance for the sale of your current home. Title to your current home must be in your name or in the name of you and your spouse only. Assistance is limited to employee-occupied one or two-family homes, single-family condominiums, and single-family townhouses. Assistance will not be provided for income-producing properties, houseboats, mobile homes, or modular homes not permanently affixed to the property, homes that contain hazardous materials (asbestos, lead paint, etc.), homes with structural defects, homes where the exterior finish is synthetic stucco siding, farmland, or homes with acreage in excess of five acres.

It is your responsibility, as a homeowner, to disclose the full condition of your property to your Nexus Consultant, as well as to potential buyers. Failure to disclose certain conditions could be considered misrepresentation or fraud. If you do not disclose complete and accurate information regarding a condition that is later discovered, you may be held responsible for all expenses involved in correcting the defect(s) and any possible litigation. A Nexus Homeowner Disclosure Statement and mandatory state disclosure forms will be included in a packet you will receive from your consultant. You will need to sign and return the forms to your Nexus Consultant before your home can be listed for sale.

If you question the eligibility of your home, contact your Nexus Consultant to discuss the situation and determine how best to proceed. In some cases, corrective action (repair of structural defect, etc.) may make your home eligible. In the event your home is not eligible for assistance through Nexus, you will need to contact a broker on your own to sell the home, and you will be eligible for reimbursement of realtor fees and closing costs within the limits stated in the Personnel Policy 2000. If the Nexus Consultant tells you your home will not be eligible, contact your local human resources representative regarding eligible benefits.

By utilizing Nexus, the sale expenses are not considered taxable income to you and do not require tax assistance. This process is called Buyer Value Option (BVO). Your Nexus Consultant will use this term when talking about the home sale process. Additionally, when using the BVO process to sell your home, all realtor fees will be covered, as well as all policy allowed closing costs associated with the sale of your home.

Another important term your Nexus Consultant will use is Broker Market Analysis (BMA). Before your home is put on the market, Nexus will have two BMAs completed on your home. This will give you two different estimates of what they believe your home will sell for, as well as give you the opportunity to interview two different agents to evaluate each of their abilities to effectively market your home. The BMAs will be used to give you a price range to consider for listing/selling your home, with the maximum being no more than 8 percent above the average of these two BMAs. There are special procedures the consultant will follow if the two BMAs are not close together, and the consultant will explain these to you when the BMAs are completed. The chart on page 10 shows the sequence of activities that will occur until your home is sold, assuming you use Nexus in the sale of your home.

When you receive an offer from a potential buyer notify Nexus immediately. The prospective buyer must have a “pre-approved” loan status for their offer.  Also, no offer from a buyer can be accepted by the TPA if it is contingent on the sale of another property. An offer may be accepted if there is a contract of sale on another property and the contingency is for the final closing on the sale. Your Consultant will assist you in determining whether or not the offer is in your best interest and whether the terms are acceptable.  In addition, your Consultant will identify any items you have agreed to that are not reimbursable under the Personnel Policy 2000. Some examples of non-reimbursable expenses are the buyer's closing costs, buyer's inspection costs, home warranty costs, and repair allowance you give to the buyer or any required to make by the buyer. Please check with your Nexus Consultant to determine what is not reimbursable for title insurance.

 The department will not provide reimbursement for prepayment penalties when you sell your current home. You should review the mortgage documents on your home to determine if you will be obligated to pay a prepayment penalty. If you have refinanced your home in the past several years, you may have to pay a prepayment penalty for selling your home sooner than the lending institution expected.

# DO NOT SIGN ANY SALE AGREEMENTS. Nexus must sign the sale agreement for you. When a buyer is ready to purchase your home, Nexus will purchase the home from you and then sell it to the buyer. Do not sign any documents or provide verbal acceptances associated with the buyer’s offer. If you do, Nexus may not be able to complete the sale of your home and your benefits may be much lower.

When a buyer is ready to purchase your home, the close date will be scheduled as verbally agreed. Utilities are required to be left on through the day of closing.  Nexus will close simultaneous with the transferee and then Nexus will close with the buyer.  Once the transaction is closed you will be notified by email that the transaction is closed.  Upon funding of the transaction, which can be up to 24 hours after the closing, the funds will be wired to the transferee per the instructions they provide on the Nexus contract

You will be relieved of your responsibilities of property ownership when Nexus takes possession of your home. Nexus will assume responsibility of all mortgage payments, utilities, and maintenance as of the date of purchase or on the vacate date.

**TPA /BVO Homeselling**

##### Flowchart

Nexus reviews offer with employee. Nexus will offer contract to the employee based on the contract verbally accepted. Once employee signs the Nexus contract and returns it to Nexus, Nexus will then sign the buyer’s offer.

Once offer is presented to employee, the employee negotiates a verbal offer from prospective buyer to acceptable terms. **Employee does not sign any documents. Offers may not be accepted which have a contingency from the buyer.**

Two Broker Market Analysis’s (BMAs) conducted.

Employee’s real estate agent registers with Nexus through a referral. Relocation documents are forwarded to the real-estate agent including and an acknowledgement form, indicating Nexus is a non-resident buyer.

Home listed on market within required pricing parameters.

Property disclosures sent to employee. Employee completes and returns the disclosures to Nexus prior to listing the home. Title research is conducted by Nexus.

Nexus takes home to closing; employee does not attend the closing. Once the home is closed Nexus will send an email to employee notifying them of the closing..

When the closing is funded, Nexus will then send the funds via wire to the employee per the employees instructions in the Nexus contract.

Nexus sends equity statement prior to closing. Employee reviews statement and advises Nexus if they are in agreement with statement.

Nexus ensures final home inspection is completed. Any repairs required by the buyer are the employee’s responsibility. Home must be left in good condition by employee when vacating.

**New Home Purchasing (home owners only)**

If you use Nexus (TPA/BVO process) for the sale of your current home you should use a broker registered with Nexus for the purchase of their new homes. If you have a realtor in mind that you would like to use Nexus will work with you to get that agent registered. Please know that if you decide to not use a Nexus-registered network broker for the purchase of your new home, a referral recovery fee of $1,500.00 will be charged to MoDOT by Nexus. This fee is then required to be repaid by you to MoDOT or if you elect to be deducted from your lump sum payment once your relocation is complete.

You may decide to purchase a home at your new location before your current home is sold. If this is the case, you may need a bridge/early equity loan. Employees will be allowed to obtain a bridge/early equity loan through the lender of their choice. Employees will be responsible for paying the interest on these loans and repaying these loans once their homes are sold. Please refer to the definition of “bridge/early equity loan” in Personnel Policy 2000. The department will reimburse employees for the interest on their equity (bridge) loans for up to 12 months. Employees who elect to not sell their homes will not be eligible for interest rate reimbursement.

When it is time to obtain a long-term mortgage for your new home, you may obtain your loan through the lender of your choice.

New home purchase closing costs are reimbursed directly to employee by the department. Employees must submit costs (via a closing costs statement) to their district/division Business Support Services for reimbursement and complete the Financial Services Divisions - Relocation Assistance Reimbursement Form.

Please see Policy 2000 – “Relocation Assistance” for specific details of closing costs and/or loan origination fees that are or are not eligible for reimbursement. Please note: should the home seller pay a portion of the buyers closing cost and/or pre-pay costs that amount paid by the seller to the buyer will be a deduction when figuring the total eligible closing cost reimbursement amount to the employee.

**Dual Housing (home sellers only)**

If you are a home seller (either TPA/BVO or non TPA/BVO) and purchase a home before your current home is sold, you may be eligible for dual housing payments. You should contact Central Office Human Resources for assistance with dual housing.

 These payments will provide some assistance to you while waiting for your current home to sell. Payments will be based on the lesser of the two mortgage payments, excluding any escrow amounts and Private Mortgage Insurance, either on the current home or the home at the new location. Before receiving dual housing payments, you must have declared your intent to sell your current home and must not be renting out the current home to someone else.

Dual housing payments will be provided for up to six months from the effective date of transfer. You cannot receive both delayed transfer and dual housing payments at the same time.

To submit dual housing expense you will need to complete the MoDOT Relocation Assistance Form (FS Division form) **each month** and get necessary authorized signatures **each month**. Further, please attach copies of your monthly mortgage payments **each month** to the form when submitting for reimbursement.

Meals are not reimbursable when in dual housing status.

**Mortgage Interest Rate Differential (home sellers only)**

If the interest rate of the mortgage on the home at the new location is higher than the interest rate on the mortgage on the current home, an employee will be eligible for a one-time payment to help offset part of the expense of having a higher-interest rate loan. The formula to calculate this payment, as shown in Personnel Policy 2000, will be based on the difference between the interest rates applied toward the lowest mortgage balance. If the interest rate of the mortgage on the new home is the same or lower than the interest rate on the current home, mortgage interest rate different payments will not be made.

**Movement of Household Goods**

Nexus will make all the arrangements for a moving company to move household goods of all home sellers that utilize the TPA/BVO process to sell their home. By using Nexus for these services, you will not have to obtain bids from moving companies.

Homeowners who decide to sell their home by use of the non TPA/BVO process will be required to obtain three bids from moving services, or if approved, may rent a rental truck in lieu of working with a moving company. The mover must be bonded and have active common carrier authority from MoDOT Motor Carrier Services Division; however, the move is not governed by MoDOT Motor Carrier Service Division rate requirements. Bids should be obtained by utilizing form P-23, “Moving Household Goods Bid Form.” This form can be found on the Human Resources Division’s website under the “Forms” link. Please contact your local human resources or business/benefits representative for help in coordinating the move of household goods. Please know that moving services allowed or not allowed are the same as above for Nexus managed moves.

Moving services (for either TPA/BVO or non TPA/BVO) can include packing, loading, moving, unloading, of household goods. However, debris/box removal fees, appliance disconnect fees, and unpacking charges are **not** covered. Employees are expected to do this on their own.

Please note that storage reimbursement is allowed for no more than 60 days. Any storage that goes beyond 60 days (including household goods that may be stored within the van lines storage facility awaiting transit) will be the personal payment responsibility of the employee. The van lines will start monthly invoicing to the employee for the storage fee immediately after the 60 day period has expired. Additionally, should your goods be stored in a van lines storage facility awaiting ship out to final destination location you must move your goods out of storage to your destination location prior to your one year relocation completion date. Failure to do so will mean that costs associated with move out of household goods will be at the employees own expense.



**RENTERS /NON-HOME SELLERS**

Renters and non-home sellers will not utilize Nexus Relocation Group for services but will be eligible for services and benefits listed below:

* Temporary housing and meals while in delayed transfer status (up to three months);
* Movement of household goods;
* Paid time off during trips to find a new home or apartment to rent and while household goods are being moved;
* Hotel/motel, meal, and travel expenses during trips to find a new place to live and while household goods are being moved;
* Up to $2120 in closing cost reimbursement for new home purchase and $1500 on loan origination fee reimbursement **for Non-Homesellers only.**
* A temporary 4 percent increase for the first six months after the effective date of transfer (see Personnel Policy 1016, “Salary Increases,”); and
* A ½ lump sum payment during the calendar year in which move is completed provided the employee is still employed with the department.

The temporary 4 percent increase is intended to provide money to assist with incidental expenses, such as unhooking and re-hooking cable television and appliances, and covering most of the travel expenses of a spouse and children during house/apartment-hunting trips and while household goods are being moved. The lump sum payment after the move is complete is intended to assist with the increased tax liability employees may have related to some of the services and reimbursements provided during the move.

The local Human Resources, Business and Benefits Services, or Financial Services staff will coordinate services/benefits, such as processing the temporary 4 percent salary increase for six months and providing reimbursements for meals and other eligible expenses.

Renters who must break a lease agreement at the current location may also be eligible for financial assistance for some of the costs associated with breaking the lease. See Personnel Policy 2000 and discuss this with your MoDOT Human Resources or Business and Benefit representative if you are in this situation.

**Movement of Household Goods**

Renters and non-home sellers should acquire three bids from moving services, or if approved, may rent a rental truck in lieu of working with a moving company. The mover must be bonded and have active common carrier authority from MoDOT Motor Carrier Services Division; however, the move is not governed by MoDOT Motor Carrier Service Division rate requirements. Bids should be obtained utilizing form P-23, “Moving Household Goods Bid Form.” This form can be found on the Human Resources Division’s website under the “Forms” link. Please contact your local Human Resources or Business and Benefits representative for help in coordinating the move of household goods.

Moving services allowed or not allowed are the same as for home sellers. See Personnel Policy 2000 for specific information.

Please note that storage reimbursement is allowed for no more than 60 days. Any storage that goes beyond 60 days (including household goods that may be stored within the van lines storage facility awaiting transit) will be the personal payment responsibility of the employee. Additionally, should your household goods not be moved out of the van lines storage facility (to final destination location) by end of the one year relocation completion date will mean that costs associated with the move out will be at the employees own expense.

**MOBILE HOME OWNERS**

**Mobile Home Owner Benefits**

Mobile home owners will not utilize Nexus for services but will be eligible for the services and benefits listed below:

* Temporary housing and meals while in delayed transfer status;
* Paid time off during trips to find a place to locate the mobile home at the new location and while the mobile home is being moved to the new location;
* Hotel/motel, meal, and travel expenses during trips to find a place to locate the mobile home and while the mobile home is being moved;
* Reimbursement for costs associated with transporting the mobile home to the new location (including household goods within the mobile home);
* A temporary 4 percent increase for the first six months after the effective date of transfer (see Personnel Policy 1016, “Salary Increases,”); and
* A lump sum payment during the calendar year in which his/her move is completed provided the employee is still employed with the department.

The temporary 4 percent increase is intended to provide money to assist with incidental expenses, such as unhooking and re-hooking cable television and appliances, and covering most of the travel expenses of a spouse and children during house hunting and other trips. The lump sum payment after the move is complete is intended to assist with the increased tax liability employees may have related to some of the services and reimbursements provided during the move.

The local Human Resources, Business and Benefits Services, or Financial Services staff will coordinate services/benefits such as processing the temporary 4 percent salary increase for six months and providing reimbursements for meals and other eligible expenses. Mobile home owners will be responsible for obtaining bids from appropriate contractors for the transfer of their mobile home.