

SAM—PAYROLLS

MOVING EXPENSES

8572.1

(Revised 12/02)

Federal and State laws require that all payments for moving expenses be reported for income tax purposes. State agencies will report moving expense payments to the SCO. (Refer to the PPM Section N 147, et seq.) Where applicable, payments will be included on the employee's W-2 form.

Federal and State laws require the withholding of income, Social Security, and Medicare taxes from certain moving expense payments. **It is imperative that the employee be notified, prior to moving, that certain moving expense payments are subject to withholding.**

For reimbursement information on moving expenses, refer to the DPA Regulations 599.714 to 599.724.1. Federal income, Social Security, and Medicare tax questions should be directed to the Internal Revenue Service (IRS). State income tax questions should be directed to the Franchise Tax Board (FTB). Employees requesting tax advice should be referred to the IRS Publication 521--Moving Expenses, the IRS website: <http://www.irs.gov>, or any local IRS office.