

# RELOCATION DISTANCE TEST

DGS-307 (REV 12/7/2006)

Fill in all the distance figures for each of the following location combinations:

Old Residence Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_  
New Residence Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_

- Item A.** Miles \_\_\_\_\_ from old residence to **new** headquarters/work location  
**Item B.** Miles \_\_\_\_\_ from old residence to **old** headquarters/work location  
**Item C.** Miles \_\_\_\_\_ from old headquarters to **new** headquarters/work location

The **State of California** uses a distance requirement for both represented and excluded employees to determine if relocation benefits are allowed. The move (*distance between the old and new headquarters and the old residence and the new headquarters*) must be a **minimum of 50 miles plus** the number of miles between the old residence and the old headquarters (*or work location if away from headquarters*) in order for the State to pay for the employee's moving and relocation expenses, unless the relocation meets further criteria outlined in 599.714.1(d).

The **IRS** uses a **50 mile** or farther distance requirement and a "time test" to determine which of the moving and relocation expenses are **taxable**. All expenses are **reportable** but not necessarily taxable. Moving expenses are classified into qualified moving expenses and non-qualified moving expenses.

If Item A minus Item B \_\_\_\_\_ **and** Item C minus Item B \_\_\_\_\_ are **both greater** than or equal to 50 miles, and the employer's moving expense plan meets the IRS requirement of an accountable plan, the following qualified moving expenses are considered non-taxable income but reportable on Form W-2 in box 12d, labeled P.

- Reasonable costs of moving the employee's household goods and personal effects from the employee's former residence to the new residence.
- Reasonable costs of travel and lodging expenses incurred from the former residence to the new residence by the shortest/most direct route.

**OR**

If Item A minus Item B \_\_\_\_\_ **or** Item C minus Item B \_\_\_\_\_ are **both greater** than or equal to 50 miles, the following non-qualified moving expenses paid to relocate an employee are subject to tax withholding:

- All Temporary Living Expenses
- Mileage in excess of **12 cents** per mile (subject to change per IRS)
- All Sale of Residence Expenses
- Settlement of Lease Expense (unexpired or new leases if applicable)
- Pre-move house hunting trips
- Storage more than 30 consecutive days after moving out of residence
- All meals connected with the move

**CERTIFICATION:** I certify that the above information is correct and that I have received my copy of the Relocation Package. If at the time of moving, this information is no longer correct, I understand that the relocation reimbursement may not be appropriate.

**Employee Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Employee Signature:** \_\_\_\_\_

**Please return this form with your Relocation Claim.**