Employee Relocation: Sample Reimbursement Agreement

Contributed by Marybeth Torgerson, Entranco Inc.

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SUMMARY

The Society of Design Administrators recommends the use of a reimbursement agreement for employee relocation. A sample agreement is included.

MOVING COSTS AND HIRING

From time to time, hiring the right employee for a job or reassigning or promoting a current employee might involve a move for the candidate from one city to another. As an incentive, many firms offer to reimburse the employee for some or all of the cost of the move. The added cost represents an added risk; most firms want some reasonable assurance that the employee will remain in the new position for a minimum period of time and, if not, an understanding that the employee will reimburse the firm for the expense of the move.

A SAMPLE REIMBURSEMENT AGREEMENT

It is advisable for both the firm and the employee that the understanding with respect to reimbursement of moving costs be understood and agreed upon in writing. A simple letter or memorandum of agreement, signed by both parties, may be sufficient in most cases. The following is sample text for such an agreement:

MEMORANDUM OF UNDERSTANDING

To: Employee Name

From: HR Director Name

Re: Relocation Reimbursement Agreement

As stated in the offer of employment dated _____, XYZ Architects has agreed to reimburse you $_____ for the initial cost of relocating your household goods from City A to City B. Please obtain and submit at least three estimates from moving companies of your choice. Upon receipt of the estimates, XYZ Architects will select and establish a direct bill with one of the companies or agree to reimburse you the sum equal to the lowest estimate.

If you voluntarily terminate your employment with XYZ Architects within [two years] from your date of hire, you will be required to refund to XYZ Architects the cost of your moving expenses on a prorated basis. The payback amount will be equal to [1/24] of the total moving expenses multiplied by the number of months remaining in the [two-year] period.

Reimbursement of moving expenses is contingent upon your agreement to the terms specified herein. Please indicate your acceptance by signing below and returning this memorandum with your signed offer letter.

RESOURCES

More Best Practices

The following AIA Best Practices provide additional information related to this topic:

07.01.05	Telecommuting Considerations
07.03.01	Definition of Architect Positions
07.04.02	The Architect's Handbook of Professional Practice as a Training Guide

For More Information on This Topic

See also “Recruiting and Hiring,” by Laurie Dreyer-Hadley and Kathleen C. Maurel, Assoc. AIA, *The Architect’s Handbook of Professional Practice,* 13th edition, Chapter 9, page 229.

See also the 14th edition of the *Handbook*, which can be ordered from the AIA Bookstore by calling 800-242-3837 (option 4) or by email at bookstore@aia.org.

Feedback

The AIA welcomes member feedback on Best Practice articles. To provide feedback on this article, please contact bestpractices@aia.org.

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Society of Design Administration

8 South Michigan Avenue, Suite 1000

Chicago, IL 60603

800-711-8199

sda@gss.net