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EMPLOYEE SERVICES

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Moving (Relocation) - Temporary Housing

Temporary Housing

Reimbursements to employees for temporary housing/living expenses related to a move are considered taxable income.

Taxes are withheld at the supplemental tax rate of 25 percent for federal and 4.63 percent for state. Housing/living expense reimbursements are subject to Medicare tax and OASDI (if applicable), but are not subject to mandatory or supplemental retirement deductions.

Payment of housing expenses to employees is accomplished via the [Additional Pay Form](#) [1], which is routed for approval on the campus.

Once approved at the campus level, the moving expense payment is entered into a One-Time Payment batch in Time Collection with Earnings Code MVT (moving expenses ? taxable). Use the appropriate [Step-by-Step Guide](#) [2] to assist you.

For more information, see [Moving \(Relocation\)](#) [3] and view the [IRS Moving \(Relocation\) ? Form 3903](#) [4].

Note: Reimbursement for housing expenses related to relocation should not be confused with Housing Allowance, which uses the HSG earnings code, and is an ongoing payment unrelated to a move. The HSG earn type is taxed, based on the employee's W-4 election, not at the supplemental rate.

Source URL: <http://www.cu.edu/employee-services/business-partners-ppldr/business-partner-resources/employee-services-procedure-19>

Links:

[1] <http://www.cu.edu/sites/default/files/policies/docs/additional-pay.pdf>

[2] <http://www.cu.edu/employee-services/business-partners-ppldr/how-guides-business-partners/hrms-step-step-guides>

[3] <http://www.cu.edu/employee-services/business-partners-ppldr/business-partner-resources/employee-services-procedures-4>

[4] <http://www.irs.gov/pub/irs-pdf/fw9.pdf>