

**US CITIZENS AND PERMANENT RESIDENTS WORKING  
OVERSEAS MOVING AND RELOCATION EXPENSES  
TAX TREATMENT (OUTSIDE THE U.S.)**

Expense	Reported on W2 Tax Withheld @ Extra Comp Rate	Reported on W2 No Tax Withheld	Comments	Qualified Or Non-Qualified
EDUCATION PAYMENTS FOR DEPENDENTS	YES	NO	EDUCATION PAYMENTS FOR CHILDREN AND DEPENDENTS INCURRED BY EMPLOYEE WHILE ABROAD	Non-Qualified
UTILITY PAYMENTS	YES	NO	ELECTRICITY AND HEATING EXPENSES INCURRED BY EMPLOYEE WHILE ABROAD	Non-Qualified
SECURITY	YES	NO	HOUSEHOLD SECURITY EXPENSES INCURRED BY EMPLOYEE WHILE ABROAD	Non-Qualified
STORAGE	NO	YES	STORAGE OF HOUSEHOLD GOODS WHILE ABROAD	Qualified
HOUSING PAYMENTS	YES	NO	RENTAL DEPOSITS AND EXPENSES INCURRED BY EMPLOYEE WHILE ABROAD	Non-Qualified
RELOCATION TO POST	NO	YES	TRAVEL AND MOVING EXPENSES FOR EMPLOYEE, FAMILY AND HOUSEHOLD TO POST	Qualified
RELOCATION FROM POST (RETURNING TO HARVARD)	NO	YES	TRAVEL AND MOVING EXPENSES FOR EMPLOYEE, FAMILY AND HOUSEHOLD FROM POST	Qualified
RELOCATION FROM POST (NOT RETURNING TO HARVARD)	YES	NO	TRAVEL AND MOVING EXPENSES FOR EMPLOYEE, FAMILY AND HOUSEHOLD FROM POST	Non-Qualified
RELOCATION STOPOVER	YES	NO	MEALS AND INCIDENTAL EXPENSES WHILE TRAVELLING TO AND FROM POST	Non-Qualified
R & R / HOME LEAVE FAMILY TRAVEL	YES	NO	TRAVEL EXPENSES INCURRED DURING POSTING ABROAD	Non-Qualified
3 <sup>RD</sup> PARTY PAYMENT NON-QUALIFIED EXPENSE	YES	NA	SEE NOTE BELOW*	
3 <sup>RD</sup> PARTY PAYMENT QUALIFIED EXPENSE	NO	NA	SEE NOTE BELOW**	

**NOTES:**

- To be considered a qualified moving expense, two criteria must be met.
  - 1) The new principal place of work must be at least 50 miles farther from the employee's previous residence than was the employee's former principal place of work.
  - 2) During the 12 months immediately following the employee's arrival in the new location, the employee is employed full time for at least 39 weeks.
- Qualified moving expenses paid directly to an employee are reflected for informational purposes only in Box 12 (Code P) on the W-2. Federal, FICA and State gross income is not increased and such payments are not taxable income.
- Qualified moving expenses paid directly to a third party will not be reflected on an employee's W-2. Federal, FICA and State gross income is not increased and such payments are not taxable income.\*\*
- Non-qualified moving expenses paid directly to an employee are taxable with all taxes withheld from an employee's paycheck (Federal, FICA and State, at the supplemental rate and Federal, FICA and State gross income is increased.
- Non-qualified moving expenses paid directly to a third party will be reflected on an employee's W-2. Federal, FICA and State gross income is increased and such payments are taxable income.\*