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ILLINOIS STATE COMPTROLLER

PAYROLL BULLETIN

To: All State Agencies, Boards and Commissions
From: Ellen Andres, Assistant Comptroller – Operations
Date: November 14, 2019
Subject: Moving Expense Reimbursements
Number: 4-19

Public Law 115-9, Tax Cuts and Jobs Act of 2017, suspended the exclusion for qualified moving expense reimbursements from employee income. Moving expense reimbursements paid to employees are now considered taxable wages subject to federal, state, FICA, Medicare, and retirement contribution withholdings. Additional information regarding employee moving expense reimbursements can be found in IRS Publication 15, <https://www.irs.gov/pub/irs-pdf/p15.pdf>.

Agencies paying moving expense reimbursements directly to an employee should submit these payments on a payroll voucher. These payments were previously paid on a C-13 payment voucher citing detail object code (DOC) 1249. To accommodate the change, the Illinois Office of Comptroller (IOC) has assigned additional gross code “8” to “Employee Moving Expense Reimbursements”. This code is to be used when processing these payments. The additional gross code field is byte 167 of the IOC’s payroll voucher file layout. The amount of the additional gross payment should be entered in bytes 168-174.

Agencies paying moving expenses directly to a vendor on behalf of an employee should continue to submit these payments to the IOC’s Voucher Unit on a C-13 voucher, using detail object code 1250, Employee Moving Expenses, Payments to Vendors. However, the amount paid directly to a vendor is now a taxable benefit to the employee. Agencies must enter the amount paid to the vendor on the employee’s next payroll. The amount should be entered under the “Other Compensation Subject to Withholding” field in bytes 248-254 of the IOC’s payroll voucher file layout. The applicable taxes will be deducted, and the taxable amount of the benefit will be recorded on the W-2.

Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the IOC’s website at www.illinoiscomptroller.gov/agencies. If you have questions regarding this bulletin, please contact the IOC payroll office at (217) 782-4758.