

RELOCATION EXPENSE REIMBURSEMENT CONTRACT

THIS AGREEMENT made this _____ day of _____, 20__.

BETWEEN: **GOVERNMENT OF PRINCE EDWARD ISLAND**, as
represented by the Minister of _____

(hereinafter referred to as “the Department”)

OF THE FIRST PART;

AND:

(hereinafter referred to as “the Employee”)

OF THE SECOND PART.

WHEREAS the Department and the Employee have agreed that the Employee will be employed by the Department in the position of _____, located in _____, P.E.I., effective the _____ day of _____, 20__;

AND WHEREAS the Employee is relocating [to/within] Prince Edward Island for the purposes of said employment;

AND WHEREAS the Department has received approval from the Public Service Commission of the Government of Prince Edward Island to provide reimbursement for reasonable travel and relocation expenses to the Employee;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the premises hereto and the covenants and conditions herein contained, the parties hereto agree as follows:

1. The Department will reimburse the Employee for the relocation expenses identified in Schedule "A" annexed hereto, and in accordance with the provisions of the said Schedule.
2. In the event that the Employee of their own volition, or the Employer, for just cause, terminates the employment of the Employee:
 - (a) prior to the expiration of one year from the aforementioned effective date of commencement of employment, the Employee shall repay to the Department the total amount of relocation expenses reimbursement they have received pursuant to paragraph 1 herein;

- (b) prior to the expiration of two years, but subsequent to the expiration of one year from the aforementioned effective date of employment, the employee shall repay to the department one-half of the total amount of relocation expenses reimbursement they have received pursuant to paragraph 1 herein.
- 3. The parties acknowledge that the reimbursements provided hereunder may be deemed to be taxable benefits and as such, subject to income tax, and agree that the Department shall determine which benefits are taxable and shall issue appropriate income tax statements.

IN WITNESS WHEREOF the parties hereto have executed this agreement on the date first above written.

WITNESS:

GOVERNMENT OF PRINCE EDWARD ISLAND
as represented by the Department of

WITNESS:

Employee

SCHEDULE "A"**ALLOWABLE RELOCATION EXPENSES FOR NEW EMPLOYEES****I. Personal and Family Travel Expenses during Relocation:**

The Department shall pay to the Employee the lesser of:

- (a) the cost of economy airfare from the Employee's current place of residence to Prince Edward Island for the Employee and each member of (their) immediate family who is relocating to Prince Edward Island with the Employee; or
- (b) _____ * cents per kilometer from the Employee's current place of residence to the new place of employment by the most direct route (if travel is by privately-owned motor vehicle), plus \$ _____ per person for meals and accommodations while enroute.

II. Relocation Expenses:

Eligible relocation expenses include the following:

- (a) where the Employee owns their residence, reimbursement will be provided to cover the actual cost of:
 - advertising the sale of the home privately
 - real estate agents' fee, if sold by a real estate firm;
 - legal fees; and
 - mortgage payment penalty, if applicable.
- (b) where the employee has been renting accommodations, reimbursement will be provided to cover the actual cost of the termination of a lease, if required.
- (c) Where the employee purchases a home reimbursement will be provided to cover the actual cost of legal fees pertaining to good title of property and the acquisition of a mortgage, if required.
- (d) moving expenses which include the actual cost as indicated by receipts for:
 - packing, moving and unpacking of furniture and effects (the lowest of three quotes);
 - insurance in transit;
 - short-term storage of furniture and effects for up to 60 days, if required;
 - indirect moving expenses such as fitting carpets and drapes and connecting appliances and utilities.

- (e) travel expenses incurred by the Employee and their spouse, including living expenses for not more than 5 days for the purpose of locating new housing accommodations.
- (f) temporary accommodation and living allowances for the employee and their family will be reimbursed at the rates specified in Section 17.02 - In-Province Travel, to a maximum of 20 days less the days used in (e) above.
- (g) Where, in the opinion of the Department head, an employee suffers financial hardship by reason of relocation, additional assistance may be approved in compensation for such hardship.
 - (i) the Employee may be reimbursed for part or all of duplicate housing costs, consisting of the interest portion of a mortgage, property insurance and utility costs paid in respect of the employee's former residence for a period for which the employee is also occupying and paying mortgage or other interest for a new residence. Such reimbursement shall be limited to the lesser of the actual costs for a period not to exceed three months or \$2,000.
 - (ii) the employee may be reimbursed for all or part of interest payments for a bridging loan to enable the employee to meet the down payment of a new residence pending the sale of their former residence. Such interest charges may be claimed for a period not to exceed three months or \$5,000, whichever is less. The maximum principal amount of the bridging loan that can be claimed shall not exceed a figure equivalent to 25% of the purchase price of the new residence.