NEW YORK POWER AUTHORITY EMPLOYEE POLICY	EP: REVISION: DATE:	3.8 5 01/01/2010

PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

RELOCATION BENEFITS FOR NEW AND TRANSFERRED EMPLOYEES

1.1 This policy applies to those employees who have been offered relocation benefits by the Director of Compensation and Benefits or his/her designee or the Facility Manager of Human Resources (for site employees). Relocation benefits may be provided to eligible employees based on the Recruiting Location Guidelines (Attachment 1) utilized by Human Resources. Relocation benefits may be offered to an employee who: (1) meets the IRS distance test described below and other criteria as specified in IRS Publication 521- Moving Expenses, (2) meets all other criteria within EP 3.8, and (3) is either:

(a) a full-time, salaried employee or union employee (other than a temporary or provisional employee) who meets all other criteria and is transferring to an exempt salaried position at the request of the Authority (no minimum grade required), or who applies for a posted exempt salaried position and is hired from one Authority facility to another, for a period that is expected to last one year or longer;

(b) newly hired from outside the Authority as an exempt, full-time, salaried employee (other than a temporary or provisional employee) at any Authority location for a period that is expected to last one year or longer;

(c) a provisional employee who is offered full-time exempt salaried employment with the Authority, with benefits subject to certain limitations (see 6.1).

Please contact the Corporate Controller's group regarding assignments of less than one year. The Corporate Controller's group provides the most up-to-date information regarding per diem rates and associated issues.

1.2 This policy shall be applicable only if relocation benefits are extended by the Director of Compensation and Benefits or his/her designee or the Facility Manager of Human Resources at the facilities to the transferred employee at the time the transfer is formally approved or authorized by the Human Resources Department, or to the new employee at the time an official offer of employment is extended by an Employment Administrator in the White Plains Office or the Facility Manager of Human Resources at the facilities.

1.3 The Director of Compensation and Benefits or his/her designee shall have sole discretion in determining whether an employee or new hire otherwise meeting the requirements specified herein may be offered relocation benefits.

1.4 If relocation benefits are offered to a newly hired employee, the policy shall be distributed and explained to the employee at the time the offer of employment is officially extended by an Employment Administrator or the Facility Manager of Human Resources at the facilities.

1.5 If relocation benefits are offered to a transferring employee, the policy shall be distributed to and fully explained to the employee by the respective Site Human Resources Representative or the Director of Compensation and Benefits or his/her designee in the White Plains Office. This should be done for employees who are contemplating a transfer from one site to another **before** the offer is accepted. A transferred employee has the option of choosing either the Relocation Benefits as outlined in this policy or a $12,000.00 stipend, grossed up for tax purposes. If Relocation Benefits are being offered, the staffing authorization for a transferee or a new hire must include this information. **If a transferred employee chooses the Relocation Benefits outlined in this policy and owns a house, appraisals must be conducted prior to the transfer being accepted.** The average of two appraisals will be used to determine the fair market value of the property. In the event that the two appraisals vary by more than 10%, a third appraisal may be conducted at the request of the transferring employee and the three appraisals will then be used to determine the average anticipated sale price of the property. These appraisals will be coordinated by the Director of Compensation and Benefits or his/her designee.

1.6 A new employee has the option of choosing either the Relocation Benefits outlined in this policy or a $12,000.00 stipend. If the new hire chooses the stipend option, the above mentioned gross-up is **not** applicable, and the lump-sum will be taxed.

IRS Distance Test

2.1 According to the IRS Distance Test, the new main job location must be at least 50 miles further from the employee's former home than his/her prior job location. For example, if the prior work or job assignment was three miles from the employee's former home, the new work or job assignment must be at least 53 miles from the former home. If the IRS should change this distance test, the one in effect at the time of relocation shall apply.

a) In determining whether or not a relocation candidate meets the IRS distance requirement, the Rand McNally Standard Highway Mileage Guide, and/or the American Automobile Association, and/or reputable online mapping resources will be consulted.

b) The distance between two points is the shortest of the more commonly traveled routes between those points. The distance test does not apply to the location of the new home.

c) In determining whether a provisional employee who is offered employment on a full-time basis meets the distance requirement for the purposes of this policy, NYPA will treat prior job location for purposes of the distance test as the job prior to the NYPA provisional assignment.

2.2 In determining if an employee is in compliance with the distance test NYPA does not determine and is not responsible for tax implications. The relocating employee is advised to consult with his/her own tax advisor.

Financial Controls & Tax Implications

3.1 This policy must be applied with attention to the most cost-effective and economic means. Therefore, only those expenses incurred in accordance with the Authority's guidelines and procedures which are in the opinion of the Corporate Human Resources Department to be reasonable and cost effective, will be reimbursed under this policy.

Note:

a) The Authority does not reimburse any New York State sales tax. To avoid being charged New York State sales tax the relocating employee should submit a State of New York Exemption Certificate to the vendor. Exemption Certificates are available from the WPO Benefits Department, Facility Manager of Human Resources, or the Corporate Travel Department. (It is the responsibility of the relocating employee to obtain and utilize the Exemption Certificate).

b) The employee is eligible for up to two days off with pay to conduct the move of his/her household goods. Paid time off must receive prior approval of the employee's immediate supervisor.

c) Reimbursement for covered expenses is limited to the first **six months** of employment or transfer from one Authority facility to another.

3.2 Expenses reimbursed under this policy are includible in an employee's gross income. An employee may be able to offset some or all of the expenses reimbursed under this policy by itemizing his/her moving expense deductions. **The employee is advised to consult his/her own tax advisor.**

3.3 If the employee is responsible for any tax liability associated with the relocation, the tax liability is outlined in IRS Publication 521 - Moving Expenses, which is provided to the eligible employee along with the Policy. The Authority will withhold taxes on all amounts reimbursed under this policy in accordance with the Internal Revenue Code and IRS regulations and Authority Accounting Procedure AP 85-01, Employee Relocation Expense Reimbursements.

3.4 If any reimbursements for transferred employees under this policy are considered taxable income, such reimbursements shall be subject to an appropriate gross-up to provide compensation for the employees' additional local, state and federal tax obligations.

3.5 The newly hired employee shall be solely responsible for all taxes payable on the amounts received pursuant to this policy and the Authority shall not provide additional compensation for any such tax liability in the form of a gross up, indemnity, or otherwise. **The employee is advised to consult his/her own tax advisor.**

Exceptions

4.1 The Authority recognizes that extenuating circumstances may necessitate a deviation from this policy. A deviation will be deemed an exception to the policy. For an exception to be considered, detailed written justification as to the need, as well as an indication of which comparably valued reimbursable expense(s) the employee is willing to surrender to offset the cost of the exception, is required. If the employee is not willing to surrender a reimbursable expense(s) of comparable value, the exception will be denied.

4.2 The justification/expense-offset indication must be sent to the Director of Compensation and Benefits or his/her designee in the White Plains Office for review; it will then be determined whether the request for exception is approved or denied. **Exceptions above and beyond the provided benefits under policy 3.8 will be charged to the department to which the employee is being hired/transferred.**

4.3 Any exception to this policy, other than outlined in sections 4.1 and 4.2, will require detailed written justification as to the business need. The justification must be sent to the Director of Compensation and Benefits in the White Plains Office for review and recommendation to the Human Resources Department Head or his/her designee who determines whether the request for exception is approved or denied.

The following items as described below may be reimbursed under this policy:

House Hunting

5.1 Reimbursable house hunting trips must not exceed three trips or a maximum of six days of house hunting (three trips maximum, i.e., three two-day trips or two three-day trips).

5.2 Transferred employees must conduct house-hunting trips within the first three months of the employees' transfer date to the new position. The transferred employee will be granted up to three days off with pay for house hunting to locate a new residence. Scheduling of these paid days off is subject to prior approval of the employee's supervisor.

5.3 New employees must conduct house-hunting trips within the first three months of employment with the Authority. House hunting trips must be conducted on the new employee's own time.

5.4 Air or train travel reimbursement for house hunting must be approved by the Director of Compensation and Benefits or his/her designee at headquarters or the Facility Manager of Human Resources with concurrence from the Director of Compensation and Benefits prior to incurring the expense.

5.5 **To obtain the best possible lodging and transportation rates for house hunting trips, the employee must make all travel arrangements through the Authority's Travel Department. If the Travel Department is not used, the employee will not be reimbursed.**

5.6 Arrangements with the Travel Department for lodging and transportation during the house hunting trips are the responsibility of the employee unless other arrangements are made with the Benefits Representative in the White Plains Office or the Facility Manager of Human Resources. During house hunting, occupation of more than one hotel room must be approved by the Benefits Representative prior to incurring expenses.

5.7 An employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for the following reasonable travel and living expenses which may be incurred by the employee and spouse during the search for a new residence near the facility:

a) Travel by personal car at the Authority established rate per mile which includes the mileage traveled to and from the area of the new work site, or in connection with authorized air or train travel to and from the airport/station; **use of a rental vehicle for house hunting will be applied towards the employee's miscellaneous expense allowance.**

b) Fees for tolls and parking expenses incurred in connection with house hunting and travel by personal car, or in connection with authorized air or train travel to and from the airport/station;

c) Travel by air or train with prior approval provided that reservations are made through the Authority's Travel Department to obtain the best possible fare.

d) Reasonable meal expenses for breakfast, lunch and dinner, for the employee and his/her spouse may be reimbursed (providing house hunting does not take place during the interim living period); and must not exceed the daily maximum allowance as specified in the Corporate Accounting Policy (1.5).

e) Reasonable lodging expenses. The Authority issued AMEX charge card should be used for this expense. If the employee does not have an Authority issued AMEX charge card, a personal credit card may be used.

Interim Living Expenses

6.1 Reimbursement for interim living expenses will be provided for the employee who has been transferred or begun new employment and must live in temporary lodging at the new location. Interim living expenses should begin as close to the employees start date as possible. **Provisional employees who are hired on a full-time basis are not entitled to interim living expenses as detailed in 6.1 – 6.7.**

6.2 Interim living expenses will be reimbursed to the employee for a maximum of three months, which should be taken during the first six months of employment or transfer from one Authority facility to another. Any day in which the employee submits living expenses during their move to the new residence or when moving their household goods, will be included in the three month maximum if the move is conducted within the Interim Living period. Any expenses incurred for moving to the new residence and/or movement of household goods beyond the six-month maximum time period will not be reimbursed.

6.3 A lump sum gross amount of $3,250 per month downstate (WPO and POL) and $2,500 per month upstate (B-G, CEC, NIA, and STL) will be provided for employee's interim living expenses. An employee will be reimbursed this lump sum amount by submitting a Relocation Expense Statement at the end of each month. No receipts are required; however, in the Explanation section on the Relocation Expense Statement the period of time for which reimbursement is being requested must be indicated. Expenses for a partial month will be pro-rated. Interim living expenses will not be paid for time beyond the earlier date of delivery of household goods or occupying the new home. Under no circumstances will interim living expenses exceed three months.

6.4 It is the responsibility of the employee to make any interim living and transportation arrangements.

6.5 Travel, tolls, and parking expenses incurred during the commute to and from work during the interim living period are at the employee's own expense.

6.6 The following will be covered by the appropriate monthly lump sum:

a) Charge for a hotel or rental fees;
b) Charge for laundry;
c) Charges for local and long distance telephone calls;
d) Expenses for meals.

6.7 The employee may be reimbursed for trips home every other weekend or holidays when the family still resides at the former residence. If the employee elects to make a trip home by personal car, mileage will be reimbursed in accordance with the Authority's Travel Policy, CP: 2.1. If the employee elects to travel home by air or train, the fare, which must be arranged by the Authority's Travel Department, and parking and tolls connected with the travel will be reimbursed. Reimbursement will not be made beyond the three-month interim living period.

Moving to New Residence

7.1 The employee will be reimbursed when itemized receipts are furnished through the use of a Relocation Expense Statement for the following covered expenses for the employee and his/her family which may be incurred during the actual move from the time the old residence is vacated until the arrival at the new residence. Actual dates of vacating the old residence and arrival at the new residence, should be clearly indicated on the Relocation Expense Statement:

a) The reasonable charge for meals. There is a daily maximum allowance specified in the Corporate Accounting Policy (1.5). Meals submitted under the relocation policy as a qualified expense, or if a lump-sum or stipend is provided to the employee, may not be reimbursed as a business expense under any other Authority policy.

b) The reasonable charge for a hotel room. Hotel rates **must** be discussed with the Benefits Representative in the White Plains Office or the Facility Manager of Human Resources for approval prior to incurring expenses. While moving to the new location, occupancy of more than one room per family **must** be approved by the Benefits Representative in the White Plains Office prior to incurring expenses;

c) Travel for up to two personal vehicles at the Authority established rate per mile while traveling from the old residence to the new residence. In no instance will mileage for travel of more than two personal vehicles be paid by the Authority; The Authority does not reimburse for transport of vehicles by commercial van line.

d) Tolls for a maximum of two personal vehicles;

e) Any day used for moving to the new residence will be included in the three months allocated for interim living.

Movement of Household Goods

8.1 The employee may elect to have his or her household goods moved from the old residence to the new residence either by a commercial van line or through a self-move using a rental vehicle.

8.2 If a commercial van line is used, the employee must use the services of one of the current moving companies with whom the Authority has contracted. A moving company will be assigned on a rotational basis.

8.3 Shipment of household goods by a commercial van line will be limited to the move from the location of the former primary residence to the location of the new primary residence.

8.4 The following items will be covered expenses which may be incurred in a commercial van line move:

1. linehaul charges;
2. insurance charges - declared value;
3. cost of containers;
4. charges for packing and basic unpacking;
5. shipment of appliances and servicing; (third party fees - services provided by an individual or company other than the assigned moving company will not be reimbursed).

8.5 The following items are **not** covered in a commercial van line move:

1. extra pick-up/delivery;
2. automobiles, boats, or any other recreational or lawn vehicles
3. frozen food, and/or perishable goods;
4. swing sets, pool tables, lumber/building materials, or any other cumbersome items;
5. storage and associated costs;
6. crates and/or crating charges.

Movement of any other unusual, cumbersome or dangerous items will be subject to prior approval by the Benefits Representative in the White Plains Office with concurrence from the Director of Compensation and Benefits.

8.6 The employee who elects a self-move may be reimbursed for the following items through use of a Relocation Expense Statement when itemized receipts are furnished:

1. rental of the vehicle;
2. cost of containers and equipment for packing;
3. insurance coverage;
4. rental of a tow bar for a personal vehicle;
5. gas used during rental of a vehicle;
6. servicing of appliances.

8.7 In no event will an employee be reimbursed for any labor involved during the course of a self-move, (i.e., to help load the vehicle).

Miscellaneous Relocation Expenses

9.1 Employees will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for miscellaneous expenses which may be incurred by the employee when relocating to the new location that are not otherwise listed as covered expenses in this policy, not to exceed $1,500 for new hires or $1,800 for transferees.

9.2 Proof of payment will be required in order to be reimbursed for these expenses (i.e., cancelled check and invoice).

9.3 Items that would be reimbursed may include, but are not limited to:

a) Expenses incurred for disconnecting and reconnecting of appliances, if done by a third party and separate from commercial van line charges;

b) Installation charge for telephone service at new residence;

c) Rental car expenses during house hunting, including gasoline for the rental car only in cases where the employee travels by air or train to the new location, or a personal vehicle is unavailable;

d) Child care expenses necessary to permit employee and spouse to search for a new residence. Childcare will be covered up to $7.00 per hour or $350.00 per week for in-home care for all of the employee's children. Childcare arrangements such as day care centers, family day care and live in arrangements must be discussed with the Benefits Representative in the White Plains Office or the Facility Manager of Human Resources;

e) Installation charge for television/internet/cable connection which was installed in the employee's previous residence. Proof of telephone/cable/internet connection in employee's previous residence and new residence in the form of recent invoices must be provided;

f) Fees for kennel or shipment of pets; and

9.4 See Attachment 2 for additional reimbursable expenses for transferred employees.

Reimbursement to the Authority

All benefits provided under this Policy are contingent upon the employee's continued employment with the Authority for a continuous period of at least one year from the employee's start date at the new Authority location. If the employee separates from service voluntarily prior to completion of such one-year period, he/she shall reimburse the Authority for a portion of all benefits (including any gross-up if applicable) paid under this policy in the following manner: (1) 75% of the total benefits (including any gross-up if applicable) provided if separation occurs within six months of the employee's start date at the new Authority location; (2) 50% of the total benefits (including any gross-up if applicable) provided if separation occurs on or after six months but prior to the completion of the one-year period.

10.1 In determining the portion of benefits which must be reimbursed by the employee under this policy, the one-year period shall be calculated from the first day of work at the new location.

10.2 In the event that a reimbursement is due and owing to the Authority under this policy, the Authority shall deduct such amount from monies which would otherwise be payable by the Authority to the employee until the required reimbursement is satisfied. This shall be accomplished via payroll deduction from monies which would otherwise be due the employee in the following order: first, payments allocable to unused vacation time; second, payment for services rendered. If such deductions are insufficient to satisfy the reimbursement due hereunder, the employee shall provide the Authority with a certified check for the balance prior to his/her last day of employment.

10.3 Prior to the receipt of any relocation monies available under this policy, an employee shall indicate his/her affirmative consent to the reimbursement procedures specified in this policy by signing the Relocation Reimbursement Option Certification (Attachment 3).

Vice President Human Resources

ATTACHMENT 1

RECRUITING LOCATION GUIDELINES FOR RELOCATION

The recruiting process limits the location of the search for different positions which therefore limits the availability of relocation benefits. All non-exempt positions and any position that falls outside of the following recruitment guidelines are ineligible for relocation benefits.

Eligible Positions for Relocation Benefits:

East of the Mississippi:

Exempt positions (non-engineering): grades 4-6, grades C-D, and leadership bands

Engineering and positions related to the generation and transmission of power: grades 2-6, grades C-D, and leadership bands

Nationwide:

Exempt (non-engineering) positions: leadership bands only

Engineering and positions related to the generation and transmission of power: grade D and leadership bands

ADDITIONAL REIMBURSABLE EXPENSES FOR EMPLOYEES **TRANSFERRED** FROM ONE AUTHORITY LOCATION TO ANOTHER

1.0 Sale of Residence at Former Location

a) The transferred employee will be reimbursed through the use of a Relocation Expense Statement, with itemized receipts and a copy of the signed Settlement Statement (HUD Form), for the following expenses which may be incurred during the sale of his/her residence at the former location:

1) Real estate broker's commission not to exceed six percent of the gross selling price;

2) Personal attorney's fees not to exceed one percent of the selling price.

Additionally the transferred employee will receive up to a maximum of 5% of the gross selling price to cover the following expenses:

3) FHA, VA, and GI mortgage fees which are paid on the old residence. Reimbursement up to a maximum of three points;

4) Appraisal fee on former residence when appraiser is certified, whether or not transfer is accepted by employee;

5) Property survey fee, if this is a seller's expense in an amount as dictated by locale;

6) Lender's legal fees for preparing and recording legal documents and searching the title, if this is a seller's expense in an amount as dictated by the locale;

7) Unavoidable prepayment penalty fees on mortgage;

8) State transfer tax;

9) Records mortgage satisfaction and mortgage pick-up fees paid to the title company; and

10) Radon testing and resultant modifications required to sell old residence, not to exceed $500.00 when proper documentation has been provided indicating that property is located in radon area.

2.0 Renting at Former Location

a) A penalty for cancellation of the lease not to exceed security deposit and two months' rent less any amount earned by subleasing will be reimbursed when itemized receipts are furnished, accompanied by a complete Relocation Expense Statement;

b) Forfeiture of security deposit as the result of damages to the residence is not covered.

3.0 Purchase of Residence at New Location

3.1 If the transferred employee was renting at former location, he/she will not be reimbursed for expenses which may be incurred if he/she chooses to purchase a residence at new location.

3.2 The transferred employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts and a copy of the signed Settlement Statement for the following expenses which may be incurred when purchasing a residence at the new location;

a) Personal attorney's fees not to exceed one percent of the purchase price;

b) Closing costs not to exceed five percent of the purchase price which have been incurred for:

1. lender's legal fees for preparing and recording legal documents and searching the title, if this is a purchaser's expense in an amount as dictated by the locale;

2. loan origination fees - one point maximum;

3. pre-purchase appraisal fees;

4. inspection fees (radon, pest and flood only - not structural);

5. lender's mortgage title insurance premium; (if not broken out by lender's/owner's premium, no amount will be reimbursed);

6. credit report;

7. application fee;

8. property survey fee, if this is a purchaser's expense in an amount as dictated by locale;

9. real estate taxes (escrow for those taxes are not reimbursed) state tax stamps only;

10. lump sum mortgage insurance premium - private mortgage insurance premium (PMI) will not be reimbursed; and

11. points - not to exceed three (this includes one point for origination fees).

4.0 Renting at New Location

The transferred employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for real estate broker's fees in connection with the rental of an apartment or house, not to exceed ten percent of the first year's rent.

Relocation Reimbursement Option Certification

I, _____, hereby choose to receive:

[_] Relocation Expense (as outlined in Relocation Policy EP 3.8)

or

[_] A $12,000.00 stipend in lieu of the relocation benefits available under the New York Power Authority's ("Authority") Relocation Policy, EP 3.8. In doing this I relinquish all relocation benefits that I would otherwise be eligible for as a newly hired or transferred employee.

[_] Taxable lump-sum

[_] Net stipend (for **Transferred** employees **only**)

I also agree that I will provide reimbursement to the Authority according to the schedule listed below if I voluntarily separate employment prior to completion of one year of service at the Authority.

1. I will reimburse the Authority 75% of the total benefit received, provided separation occurs within six months of my start/transfer date to the new Authority location.

2. I will reimburse the Authority 50% of the total benefit received, provided separation occurs on or after six months, but prior to the completion of one year beginning from my start/transfer date to the new Authority location.

In the event that my employment should terminate involuntarily, I understand that the above mentioned reimbursement will not be required.

I further authorize the Authority to deduct any such reimbursement due and owing to the Authority from such amounts as may otherwise be payable to me until full reimbursement is made to the Authority. Specifically, I herby authorize payroll deduction first from any and all monies attributable to unused vacation time and second, if required, from compensation for services rendered.

If the above amounts provide insufficient to cover the entire reimbursement due and owing to the Authority, I hereby agree to provide the Authority with a certified check or money order for the balance prior to my last day of employment.

I acknowledge that this certification is **not** an employment contract and will not be construed or interpreted by me as containing any guarantee of continued employment. I recognize that my employment with the Authority shall be at-will and that the Authority may terminate my employment at any time and for any reason. I may also terminate my employment at any time and for any reason.

_____ _____ Sworn to before me on the _____ day of _____

Signature Date

_____

Print Name

_____

Received by HR (Initial and Date)