



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

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February 13, 2018

TO: Agency Directors and Policy Manual Users

FROM: Brian Tinney, Assistant Director
Accounting Division

SUBJECT: SAAM Technical Correction

We have revised Chapter 25, Payroll, and Chapter 60, Moving Expenses, effective January 1, 2018; and Chapter 75, Uniform Chart of Accounts, effective January 19, 2018, of the *State Administrative and Accounting Manual* (SAAM).

Due to recent changes in the tax code ([Public Law 115-97, Sec. 11048](#)), all employer provided moving expenses are taxable. Effective January 1, 2018, payments to employees or to vendors on behalf of employees are to be included as taxable income on IRS Form W-2 of affected employees.

In Subsection 25.30.60 and Subsections 60.10.10, 60.20.10, and 60.30.10 we added the following note:

Tax code change effective January 1, 2018:

All moving expenses, whether paid directly to the employee or to a vendor on behalf of the employee, are considered taxable income. Employees and agencies should consult Internal Revenue Service regulations for further guidance.

In Subsection 25.30.40, because moving expenses are now taxable, we removed them from the list of fringe benefits that are taxable under certain circumstances.

In Chapter 60, we moved relocation compensation from Subsection 60.20.10.f to Subsection 60.10.10.b.

Due to the passage of the Capital Budget, we added the following new accounts in Subsections 75.30.50 and 75.30.60 effective January 19, 2018: 22K, 366, and 377.

The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

Please be aware that in addition to the SAAM policies, all OFM directives, technical corrections, and superseded policies are available online on OFM's website at:

<http://www.ofm.wa.gov/policy/default.asp>.

Additional administrative and accounting resources are also available on OFM's website at:

www.ofm.wa.gov/resources/default.asp.

If you are maintaining a hardcopy manual, a link to the replacement pages is available at:

<http://www.ofm.wa.gov/policy/replacement-pages.asp>.

Questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency. You can find your agency's OFM Accounting Consultant at: <http://www.ofm.wa.gov/accounting/swa/swacontactsbyagency.asp>.