

Helping to Protect Your Benefits

Tax Concepts in Relocation

Eleven Key Elements of an Amended Value Option

- Any employee ("EMPLOYEE") wishing to take advantage of the Amended Value Option who lists his/her home with a real estate broker must include a suitable exclusion clause in the listing agreement whereby the listing agreement is terminated upon the sale of the home to either the employer or the relocation company.
- Under no circumstances should EMPLOYEE accept a down payment from any potential buyer.
- Under no circumstances should EMPLOYEE sign an offer presented by any potential buyer.
- EMPLOYEE enters into a binding contract ("Contract of Sale") with his/her employer or the relocation service company ("PURCHASER").
- After the execution of the Contract of Sale with PURCHASER and after EMPLOYEE has vacated the home, all of the burdens and benefits of ownership pass to the PURCHASER.
- The Contract of Sale between EMPLOYEE and PURCHASER at the higher price is unconditional and not contingent on any event, including the potential buyer obtaining a mortgage commitment.
- Neither EMPLOYEE nor the employer in the case of a relocation company transaction exercises any discretion over the subsequent sale of the home by the PURCHASER.
- PURCHASER enters into a separate listing agreement with a real estate broker to assist with the resale of the property.
- PURCHASER enters into a separate agreement to sell the home to a buyer.
- PURCHASER arranges for the transfer of title to the buyer.
- The purchase price eventually paid by the buyer has no effect on the purchase price paid to EMPLOYEE.

*Real Estate professionals **should not** advise transferees about their benefits. Rather, they should direct the transferee to their counselor at the Relocation Management Company and/or their HR representative.*