



U.S. General Services Administration
Office of Governmentwide Policy

Handbook for Relocating Federal Employees



Handbook for Relocating Federal Employees

Summer 2011

Foreword

The General Services Administration (GSA), Office of Governmentwide Policy, is pleased to issue this relocation handbook for Executive Branch employees. GSA developed this Handbook to help Federal employees understand the relocation process and how their own particular circumstances fit into the Federal method of conducting relocation.

To enhance readability, we have chosen to provide very few cross-references between this handbook and the Federal Travel Regulation (FTR) (available at www.gsa.gov/ftr). However, the FTR is written in a plain language, question-and-answer format that we hope makes it easy to find what you need there.

This is one of three relocation guidance documents published by GSA. The other two are:

- *“Relocation Policy Guide for Federal Civilian Agencies”*
- *“Glossary of Acronyms and Terms for Federal Civilian Relocation”*

We have not sought in this handbook to define every term used here; please refer to the Glossary for definitions. Also, in this handbook, “you,” “your,” “I,” and their variants refer to the employee.

Please note that this is not a regulatory document. Chapter 302—Relocation Allowances of the FTR (41 Code of Federal Regulations 302 or 41 CFR 302) contains the actual rules for relocation of Federal civilian transferees. The FTR and not this guide is the controlling source for rules governing Federal civilian relocations.

Table of Contents

PART 1. GENERAL INFORMATION FOR ALL RELOCATIONS

I.	Introduction	3
II.	Employee Roles and Responsibilities	4
III.	Limitations on Whether the Government Will Pay for Relocation	5
IV.	Service Agreements	5

PART 2. INFORMATION ON TYPES OF RELOCATIONS

V.	Categories of Relocation: Temporary Change of Station (TCS) and Permanent Change of Station (PCS)	7
VI.	Categories of Relocating Employees: New Appointee and Transferee	7
VII.	Benefits and Limitations for New Appointees	8
VIII.	Benefits and Limitations for Transferees	9
IX.	Benefits and Limitations for Special Types of PCS Relocations	10

PART 3. INFORMATION ABOUT SPECIFIC RELOCATION BENEFITS

X.	Transportation of People	13
XI.	Per Diem	13
XII.	Househunting Trip (HHT)	14
XIII.	Temporary Quarters Subsistence Expenses (TQSE)	15
XIV.	Transportation and Temporary Storage of Household Goods (HHG)	16
XV.	Extended Storage of HHG	17
XVI.	Transportation and Storage of a Privately Owned Vehicle (POV)	18
XVII.	Residence Transactions	18
XVIII.	Use of a Relocation Services Company (RSC)	22
XIX.	Home Marketing Incentive Payments	23
XX.	Allowance for Property Management Services	24
XXI.	Miscellaneous Expenses Allowance (MEA)	25
XXII.	Taxes on Relocation Benefits	28

PART 1.

GENERAL INFORMATION FOR ALL RELOCATIONS

I. Introduction

(a) What is the purpose of this guide?

This guide is intended to assist you in preparing for relocation. It should help you identify the benefits you are entitled to and what options you have. It should also help you when talking to your agency and/or agency contracted counselors about aspects of your relocation that depend on your agency's specific relocation policies.

(b) What are the limitations of this guide?

Please note that this is not a regulatory document. Chapter 302—Relocation Allowances of the Federal Travel Regulation (FTR) (41 Code of Federal Regulations 302 or 41 CFR 302) contains the actual rules for relocation of Federal civilian transferees. The FTR and not this guide is the controlling source for rules governing Federal civilian relocations.

The FTR creates a framework which prescribes Governmentwide requirements. However, the FTR leaves many relocation questions and answers up to the agencies, so you must consult your agency-specific policies to reach a complete understanding of the rules that apply to your particular relocation.

(c) Does this guide help me if my relocation is governed by the Joint Federal Travel Regulations (JFTR) for uniformed services or the Department of State Standardized Regulations (DSSR) for Foreign Service officers?

No, if your move is under the auspices of the JFTR or DSSR, this guide will not help you. You'll need to consult with DoD

and/or DOS, as these relocations and the rules governing them are outside of GSA's authority.

(d) Does this relocation guide help me if I am under the Joint Travel Regulations (JTR) as a Department of Defense civilian employee?

Yes, it does because the FTR is the operating authority for the JTR. However, you must consult the JTR and DoD for specific policies related to your relocation.

II. Employee Roles and Responsibilities

(a) What standard of care must I exercise in incurring expenses?

While relocating, you must exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business.

(b) Will the Federal government cover all my expenses and remove all my inconveniences in the relocation?

No, because no relocation policy can or should cover all of the expenses or remove all of the inconveniences that might be involved in a relocation. The assumption is that you understand this and have weighed the professional and personal options involved when you accepted the relocation.

(c) Am I expected to be a participant in my relocation?

Yes, you are expected to be an active participant in all phases of your relocation. A successful relocation involves a partnership among the agency, contractors, and the employee being relocated. During a relocation, you will have the opportunity to keep costs low and service high by involving yourself in the various aspects of a relocation.

(d) What is my responsibility if I relocate often and choose to rent or lease a residence?

You have a responsibility, if you think you might be relocating in the future, to minimize costs for the Government by requesting placement of a "cancellation clause" in any rental or lease agreement that you sign. This is a clause that negates any penalties if the Government relocates you to a new permanent duty station. This is something that is good for you, because it will make everything easier when leaving, and it will

demonstrate that you are making a good effort to limit future relocation costs.

III. Limitations on Whether the Government Will Pay for Relocation

(a) Did your job announcement specify relocation entitlements would be paid?

To qualify for relocation benefits, your vacancy announcement must have addressed whether or not relocation benefits would be provided. Relocation is not something that can be decided or negotiated after you have accepted a new position.

(b) What is the standard for determining whether or not the Government will fund my relocation?

For the Government to authorize a relocation, it must be in the Government's interest and not primarily for your convenience.

(c) What is the purpose of my relocation?

The purpose of your relocation is to place you into a specific job rapidly and easily so that you may quickly function in your new job for the benefit of the Federal government.

(d) What if the relocation is primarily for my convenience?

The FTR does not authorize any relocation at Government expense that is made primarily for your convenience. Relocations are conducted in the best interest of the Government.

IV. Service Agreements

(a) What is a service agreement?

A service agreement is a written agreement between you and your agency that is required by statute. You sign it, as does an agency representative. It states that you will remain in the service of the Government (not a particular agency) for a specified period of service and that you are receiving no other funds from any other source Federal or non-Federal in paying for the relocation. Under statute and the FTR, this period of service must be at least 12 months following effective date of transfer. Your agency has the option of setting this period of service between 12 and 36 months under certain circumstances.

(b) Must I sign a service agreement prior to receiving any relocation benefits?

Yes, you must sign a service agreement prior to receiving any relocation benefits.

(c) If I violate my service agreement, will I be penalized?

Yes, if you violate a service agreement (other than for reasons that are beyond your control and accepted by your agency), you will have incurred a debt due to the Government. You must then reimburse all costs that your agency has paid towards your relocation expenses, including any withholding tax allowance (WTA) and relocation income tax allowance (RITA).

(d) Do I violate my service agreement if I retire before the expiration of my service agreement?

Yes, unless the agency approves the retirement as acceptable.

(e) Do I have to sign a service agreement for a Senior Executive Service (SES) last move home relocation?

No, you do not need to sign a service agreement for an SES last move home relocation.

PART 2.

INFORMATION ON TYPES OF RELOCATIONS

V. Categories of Relocation: Temporary Change of Station (TCS) and Permanent Change of Station (PCS)

(a) What is a TCS?

A TCS is relocation from one official work site to another, and then back to the original official work site, within a period of 6 to 30 months. While nearly all Government relocations are permanent changes of station, the authority for a temporary change of station exists for use in the proper situations and when determined to be in the best interest of the Government. New appointees and several other narrowly defined categories are not eligible for TCS.

(b) What is a PCS?

A PCS is the transfer of an employee from one official work site to another or the assignment of a new employee to their first assignment site on a permanent basis. The majority of Government relocations are PCS.

VI. Categories of Relocating Employees: New Appointee and Transferee

(a) What is the definition of a new appointee?

A new appointee is a person hired by the Government for the first time, an employee who has returned to Government after a break in service (with certain exceptions), or a student trainee assigned to the Government upon completion of college.

(b) What is the definition of a transferee?

A transferee is a person officially transferred from one official work site to another or an employee separated as a result of reduction in force or transfer of functions who is re-employed within one year after such separation.

VII. Benefits and Limitations for New Appointees

(a) What are my relocation benefits if I am a new appointee, moving for the first time, to a continental United States (CONUS) work site and relocation has been authorized?

Relocation benefits for new appointees are limited. For CONUS relocations, your benefits are:

- Transportation of you and your immediate family;
- Per diem only for you while traveling;
- Transportation and storage of household goods (HHG);
- Extended storage when assigned to an isolated official work site, pursuant to FTR Chapter 302-8;
- Transportation of a mobile home or boat used as a primary residence instead of a HHG shipment; and
- ***Shipment of a privately owned vehicle (POV).

*** Items are at the discretion of the agency and are not mandatory (b) What are my relocation benefits if I am a new appointee relocating to a work site outside the continental United States (OCONUS)?

If you are a new appointee relocating OCONUS, you are authorized:

- Transportation of you and your family
- Per diem for only you while traveling
- Transportation and temporary storage of HHG;
- Extended storage of your HHG, pursuant to FTR Chapter 302-8; and
- ***Payments for temporary quarters and other allowances.

*** Items are at the discretion of the agency and are not mandatory

VIII. Benefits and Limitations for Transferees

(a) What are my relocation benefits if I am a transferee?

If you are a transferee, you may be authorized more extensive benefits than those of the new appointee class listed above.

Whether the transfer is OCONUS or CONUS, your benefits may include:

- Transportation and per diem for you and your immediate family;
- Miscellaneous moving expenses (subject to FTR Part 302-16);
- Transportation and temporary storage of your HHG;
- Shipment of a POV; and
- Relocation income taxes allowance (RITA).

(b) What residence transaction benefits will I be reimbursed for as a transferee relocating in CONUS?

Your agency will reimburse you for the allowable costs that you incur, up to a maximum of ten percent of the actual sale price for your residence at your old official work site and up to five percent of the actual purchase price for your residence at your new official work site.

(c) What benefits depend upon my agency policy for a transferee relocating to a CONUS location?

Depending upon your agency policy, you may be reimbursed for:

- A househunting trip (HHT) including per diem for you and your spouse;
- Temporary quarters subsistence expense (TQSE);
- Shipment of up to 2 POVs;
- Use of a relocation services company (RSC);
- Home marketing incentives;
- Property management services expenses in lieu of selling your home at your old official work site, pursuant to FTR 302-15.17; and
- Transportation of a mobile home/boat, if applicable under FTR part 302-10.

(d) What benefits depend upon my agency policy for a transferee relocating to an OCONUS location?

This varies greatly depending upon whether your agency uses the FTR or has chosen to adopt the Department of State Standardized Regulations (DSSR) for OCONUS foreign moves. Other benefits you may receive under the FTR, depending upon your agency policy are:

- Shipment of a POV;

- A foreign transfer allowance;
- Property management services for your residence at your last official work site; and
- Extended storage of your HHG when necessary, pursuant to FTR Chapter 302-8.

Under the DSSR, you may also receive a TQSE. If this is applicable to your relocation, please contact DOS for guidance. For relocations to Alaska and Hawaii your agency may allow the use of a RSC and/or home marketing incentives.

IX. Benefits and Limitations for Special Types of PCS Relocations

(a) Senior Executive Service (SES)

1. What are my relocation benefits as an SES employee?

As an SES employee, you are entitled to the same relocation benefits as any other new appointee or transferee depending on your status as a transferee or a new hire.

2. As an SES employee, how do I qualify for the last move home benefit?

To qualify for a last move home benefit as an SES employee, you must be a career SES employee who transferred or accepted a geographical reassignment from one official work site to another in the Government's interest at Government expense for permanent duty. Other more complicated qualifications for relocation benefits may exist in special cases. For these cases you should check with your agency human resources office or the FTR 302-3.304 through 302-3.307.

3. If I am an SES career employee who qualifies for last move home, what are my relocation benefits?

You are authorized to receive:

- Transportation of you and your immediate family to the place in CONUS that you have elected to reside;
- Per diem for only yourself while traveling;
- Transportation and temporary storage of HHG;
- Transportation of a mobile home or boat used as a primary residence instead of an HHG shipment;
- ***Shipment of a POV; and

- ***Transportation of a mobile home/boat, if applicable under FTR part 302-10.

*** Items are at the discretion of the agency and are not mandatory

(b) Return from OCONUS for Separation

What are my benefits if I am returning from OCONUS for separation to my residence of record?

When returning from OCONUS for separation at your residence, the benefits you are authorized to receive are:

- Transportation of you and your family
- Transportation and storage of HHG
- Per diem for you only; and
- ***Shipment of a POV.

*** Items are at the discretion of the agency and are not mandatory

(c) Assignment under the Government Employees Training Act (5 U.S.C. 4109)

What are my relocation benefits if I am assigned under the Government Employees Training Act (5 U.S.C. 4109)?

If you are assigned relocation under 5 U.S.C. 4109, the maximum benefits you may be authorized are:

- Transportation for yourself and immediate family;
- Per diem for yourself while relocating; and
- Shipment and temporary storage of your HHG.

Please note that agencies have the authority to pay all, some, or none of these benefits under this Act, depending on whether it is determined to be a PCS move or not.

(d) Tour Renewal Agreement Travel

What are my benefits if I serve a complete tour OCONUS and sign for another full OCONUS tour?

If you finish a full tour at an OCONUS post, not including Alaska or Hawaii, and agree to serve another tour at the same or a different OCONUS post, your benefits are transportation for yourself and immediate family from post to your home of record and then on to the next assignment, plus per diem for you only during this travel to and from post.

Alaska and Hawaii are more problematic because, to be guaranteed tour renewal travel, you had to be serving prior to September 9, 1982. If your tour began after that date, your agency must determine whether tour renewal travel is merited for recruiting and retention.

Relocating Federal Employees

If your agency follows the Department of State guidelines set forth in the DSSR, these benefits may be different. The DSSR differs from the FTR in many respects because it is designed for Foreign Service officers and concentrates on overseas postings.

PART 3.

INFORMATION ABOUT SPECIFIC RELOCATION BENEFITS

X. Transportation of People

(a) Are my family and I always authorized transportation to the new post while relocating?

Yes, if the Government authorizes relocation, it will pay for transportation of you and your family to the new official work site. The one exception is an unaccompanied tour to a foreign post of duty; then, only you are authorized transportation.

(b) Is the reimbursement rate for my driving a POV in a PCS the same as the rate for using a POV for temporary duty travel (TDY)?

No, the rate for using a POV during a PCS is not the same as the rate for using a POV for TDY. The rate for using your POV during a PCS is the same as the Internal Revenue Service rate for using an automobile for moving purposes.

XI. Per Diem

(a) What is per diem?

Per diem is the daily amount that your agency will reimburse you for lodging, meals and incidental expenses.

(b) Do I always receive per diem for myself while relocating?

Yes, if the Government authorizes relocation, you will always receive per diem for yourself while being transported to the new official work site. Your family may or may not be authorized per diem depending upon the type of relocation and whether you are a new appointee or a current employee being transferred.

(c) What is the per diem rate for the travel to the new official work site?

For the trip from the old to the new official work site located in CONUS, per diem is at the standard CONUS rate established by GSA. For OCONUS work sites, per diem will be at the rates established by the Department of Defense for non foreign OCONUS locations and the rate established by the Department of State for foreign OCONUS sites.

XII. Househunting Trip (HHT)

(a) Is a HHT a mandatory benefit?

No, this is a discretionary item. Your agency will determine when it is in the Government's best interest to authorize you a HHT and the procedures you must follow if it is authorized.

(b) If my agency authorizes a HHT, may I take all of my immediate family at Government expense?

No, only you and/or your spouse may travel on a HHT at Government expense.

(c) May my spouse and I each take a separate HHTs?

Yes, however, your reimbursement will be limited to the cost that would have been incurred if you and your spouse had traveled together on one round trip.

(d) What transportation expenses will my agency pay?

Your agency will authorize you to travel by the transportation mode(s) (e.g., airline, train, or privately owned automobile) it determines to be advantageous to the Government. Your agency will pay for your transportation expenses by the authorized mode(s). If you travel by any other mode(s), your agency will pay your transportation expenses not to exceed the cost of transportation by the authorized mode(s).

(e) May I use the HHT to help me decide whether or not to accept the transfer?

No, you may not. The purpose of a HHT is to help an employee who has accepted an assignment locate housing to make the transition easier and to reduce overall costs for the Government. Your agency cannot authorize an HHT until after you have accepted the new position, signed a service agreement, and have a reporting date.

XIII. Temporary Quarters Subsistence Expenses (TQSE)

(a) Do I always receive a TQSE benefit?

No, your agency determines when it is in the Government's interest to authorize you a TQSE and the procedures you must follow if it is authorized.

(b) Who may occupy temporary quarters at Government expense?

Only you and/or your immediate family may occupy temporary quarters at Government expense.

(c) May my immediate family and I occupy temporary quarters at more than one location?

Yes, you can. For example, if you must vacate your home at the old official work site and report to the new official work site, and your family remains behind until the end of the school year, you may need to occupy temporary quarters at the new official work site while your family occupies temporary quarters at the old official work site.

(d) What is the rule concerning where my immediate family and I may occupy temporary quarters?

You and/or your immediate family may occupy temporary quarters at Government expense within reasonable proximity of your old and/or new official work sites. Neither you nor your immediate family may be reimbursed for occupying temporary quarters at any other location, unless justified by special circumstances that are reasonably related to your transfer. You must vacate your old residence prior to claiming TQSE.

(e) What types of TQSE exist?

There are two types of TQSE: actual expense and lump sum (fixed amount).

All agencies offer actual expense TQSE, which is based upon the standard CONUS per diem with deductions based upon the number of days in TQSE. The maximum number of days you can be in actual expense TQSE is 60 days. Your agency may authorize up to an additional 60 day extension for acceptable extenuating circumstances

Lump sum TQSE (fixed amount) is based upon a reduction of the locality per diem rate but can only be offered for a

maximum of 30 days. Some agencies offer lump sum only for periods of less than 30 days. For you to receive lump sum TQSE, your agency must offer it to you, and you must choose to accept it.

XIV. Transportation and Temporary Storage of Household Goods (HHG)

(a) What is my mandatory benefit for the transportation and storage in transit of HHG?

Unless you are going to an OCONUS, isolated CONUS or a furnished space at your new location where there is limited room to fit the maximum amount of HHG, your agency is required to pay for shipment of up to 18,000 pounds net weight and for storage in transit (SIT) SIT is limited to 60 days initially with an additional 90 days upon agency approval with extenuating circumstance. If you are limited by defined post conditions to less than this weight, the balance can be stored in extended storage at Government expense. The employee is financially responsible for any HHG amount over the 18,000 pounds net weight.

(b) May the 18,000 pounds net weight limitation be increased?

No, the 18,000 pound HHG net weight limitation is mandated by statute and cannot be exceeded.

(c) What must I do if professional books, papers and equipment (PBP&E) cause me to exceed the 18,000 pounds HHG net weight?

If your agency agrees that your PBP&E are required for you to accomplish your government job, the PBP&E is generally considered to be part of the 18,000 pounds net limit. However, if the PBP&E weight causes your lot to be more than the statutory limit, then your agency may choose to transport any of your preapproved PBP&E that is over the 18,000 pounds net that is necessary for your Government job as an administrative expense.

(d) Should my family and I sort through our HHG prior to a relocation?

It is always a good idea to sort through your belongings prior to moving. In any relocation, moving only the items that you and

your family truly want and need could help eliminate any payment for exceeding the weight limit for the shipment. Moreover, even if you are well under the 18,000 net weight limitation, you will be acting as a prudent employee by saving overall costs for the Government.

(e) Must my relocation orders specify that HHG be transported from the specified origin to destination?

Yes, your orders will specify the origin and destination of the move. You may choose to add extra pick-ups or change the origin or destination of the HHG shipment. However, the Government will only reimburse you for the equivalent cost of moving one lot of up to 18,000 pounds net from your old official work site to your new official work site.

(f) Must I use the method selected by my agency for transporting my HHG, transporting PBP&E, and storage in transit?

No, you do not have to use the method selected by your agency, and you may pursue other methods. However, your reimbursement should be limited to the actual cost incurred, not to exceed what the Government would have incurred using their method of shipment. Contact your agency on their specific guidance if you choose to select a different method of transportation. Also, please note that any reimbursement for storage over 30 days is taxable income to you.

XV. Extended Storage of HHG

(a) When may extended storage of my HHG be authorized?

Your agency may authorize extended storage of HHG in lieu of shipment under the following circumstances:

1. ATCS;
2. When you are assigned to an isolated official work site within CONUS;
3. An OCONUS official work site where your agency limits the amount of HHG you may transport to that location; or
4. An OCONUS official work site for which your agency determines extended storage is in the Government's interest or is cost effective to do so.

(b) Is the SES employee on last move home authorized extended storage?

No, extended storage of HHG is not permitted for a career SES employee using their last move home benefits.

XVI. Transportation and Storage of a Privately Owned Vehicle (POV)

Is the transportation and emergency storage of my POV a mandatory relocation benefit?

No, the transportation of your POV in connection with a PCS and emergency storage of your POV incident to an evacuation from your duty assignment are not mandatory benefits. These benefits depend upon agency policy and are within agency discretion.

XVII. Residence Transactions

(a) Am I eligible to receive an allowance for expenses incurred in connection with my residence transactions (e.g., selling my old home and/or buying a new one)?

You are eligible to receive an allowance for expenses incurred in connection with your residence transactions if you have signed a service agreement and you are performing a PCS where:

1. Your old and new official work sites are within the United States; or
2. You transferred from an official work site in the United States to a foreign area, and you are now transferring back to the United States.

If your transfer falls into the first category above, then:

You must be in conformance with the distance test guidelines in Internal Revenue Service Publication 521, Moving Expenses. The distance test is met when the new official station is at least 50 miles further from your current residence than the old official station is from the same residence. For example, if the old official station is 3 miles from the current residence, then the new official station must be at least 53 miles from that same residence in order to receive relocation expenses for residence transactions. The distance between the official station and residence is the shortest of the commonly traveled routes between them. The distance test does not take into consideration the location of a new residence.

If your transfer falls into the second category above, then you must also:

1. Have completed your service agreement time period for your overseas tour of duty.

(b) Who is not eligible to receive an allowance for expenses incurred in connection with residence transactions?

You are not eligible to receive an allowance for expenses incurred in connection with residence transactions if you are a new appointee or an employee assigned under the Government Employees Training Act (5 U.S.C. 4109).

(c) To be reimbursed for expenses incurred in residence transactions, must I occupy the residence at the time I am notified of my transfer?

Yes, to be reimbursed for expenses incurred in your residence transactions, you must occupy the residence at the time you are notified of your transfer. More precisely, you may receive reimbursement for the one residence from which you regularly commuted to and from work on a daily basis and that was your residence at the time you were officially notified by competent authority to transfer to a new official work site. The only exception to this rule is that you may be reimbursed for residence transaction expenses if your transfer is from a foreign area to an official work site within CONUS other than the one you left when you transferred OCONUS.

(d) To be reimbursed for expenses incurred in my residence transactions, must I commute from the residence that I purchase?

Yes, for the Government to pay for a residence transaction, it must be incident to the move. The residence that you purchase must be one from which you will commute to the new official work site on a daily basis. You are not entitled to move to a different house in the same general area just because a new job has relocation benefits.

(e) Am I eligible for unexpired lease settlement expenses?

Yes, if you are under a lease and are authorized reimbursement for residence transactions, then you are eligible for unexpired lease settlement expenses. When your unexpired lease (including a month-to-month lease) is for residence quarters at your old official work site, you may be, depending on certain

circumstances, reimbursed for settlement expenses for an unexpired lease, including but not limited to broker's fees for obtaining a sublease or charges for advertising. Please see FTR § 302-11.7.

(f) Must I sell a residence at the old official work site to be eligible to purchase a residence at the new official work site?

No, you do not have to sell the residence at your old official work site to be eligible for residence purchase transactions at your new official work site.

(g) Will my agency reimburse me for any losses I incur on the sale of a residence?

No, your agency will not reimburse you for any losses incurred on the sale of a residence.

(h) How long do I have to complete my residence transactions?

You have one year to complete your residence transactions. In exceptional cases your agency may grant an extension not to exceed one additional year.

(i) To receive full reimbursement for any residence transactions must I or members of my immediate family hold title to the property?

Yes, you or an immediate family member must hold title to the property for you to receive full reimbursement for the residence transactions. If you or an immediate family member does not hold the full title to the property, your reimbursement will be in proportion to the percentage of the property to which you hold the title.

(j) When may my reimbursement for loan assumption fees or other similar fees exceed the one percent?

Reimbursement may exceed one percent only when you provide evidence that the higher rate does not include prepaid interest, points, or a mortgage discount, and only when such loan assumption fees or other similar fees are customarily charged in the locality where the residence is located.

(k) Am I responsible for terms in my mortgage agreement?

Yes, you have a responsibility to plan ahead and not sign for items that clearly are not prudent or will cost the Government

in a future move. For example, regardless of the rate one can receive on a mortgage, anyone under a mobility agreement or who has other knowledge that they are going to be moved in the future should not sign a mortgage with prepayment penalties for paying off the mortgage early. When you move, these penalties can cost the Government, the relocation contractors, and you.

(l) What residence transaction expenses are not allowable?

Your agency will not pay:

1. Any fees that have been inflated or are higher than normally imposed for similar services in the locality;
2. Broker fees or commissions paid in connection with the purchase of a home at the new official work site;
3. Owner's title insurance policy, "record title" insurance policy, mortgage insurance or insurance against loss or damage of property and optional insurance paid for by you in connection with the purchase of a residence for your protection;
4. Interest on loans, points, and mortgage discounts;
5. Property taxes;
6. Operating or maintenance costs;
7. Any fee, cost, charge, or expense determined to be part of the finance charge under the Truth in Lending Act, Title I, Pub. L. 90-321, as amended, and Regulation Z issued by the Board of Governors of the Federal Reserve System (12 CFR part 226), unless specifically authorized in accordance with the FTR;
8. Expenses that result from construction of a residence, except those which are comparable to expenses that are reimbursable in connection with the purchase of an existing residence; and
9. Financial losses on the sale or purchase of a qualified residence.

(m) Is there a limit on how much my agency will reimburse me for residence transactions?

Yes, your agency will reimburse you no more than ten percent of the actual sales price for the sale of your residence at the old official work site and no more than five percent of the actual purchase price of the residence for the purchase of a residence at the new official work site.

XVIII. Use of a Relocation Services Company (RSC)

(a) Who determines if I may use a RSC?

Your agency determines if you may use a RSC.

(b) For what relocation services expenses will my agency pay?

Your agency will pay the RSC's fees/expenses for the services you are authorized to use depending on your entitlements and your agency policy.

(c) What expenses will my agency pay if I use a RSC to sell or purchase a residence for which I and/or a member(s) of my immediate family do not have full title?

If you use a RSC to sell or purchase a residence for which you and/or a member(s) of your immediate family do not have full title, your agency will pay the portion of the RSC's fee attributable to your pro rata share of the residence. You are responsible for any portion of the fee attributable to other than your pro rata share of the residence.

(d) What are the income tax consequences if I use a RSC?

The tax consequences of any relocation transaction are under the auspices of the IRS. Relocation contracts are designed to reflect current tax policy. However, any direct answer must come from the IRS.

(e) What is a homesale program?

A homesale program is a program offered by an agency through a contractual arrangement with a RSC. The program provides for buyer value option sales, amended sales, and appraised value purchases by the RSC.

(f) If my agency authorizes me to enter a homesale program, must I accept a buyout offer from the RSC?

No, if your agency authorizes you to enter a homesale program, your agency must give you the option to accept or reject an offer from the RSC.

XIX. Home Marketing Incentive Payments

(a) Must my agency pay me a home marketing incentive?

No, your agency determines when it is in the Government's interest to offer you a home marketing incentive.

(b) Under what circumstances may I receive a home marketing incentive payment?

You will receive a home marketing incentive payment when:

- 1.** You enter your residence in your agency's homesale program;
- 2.** Your agency has established a home marketing incentive program;
- 3.** You independently and aggressively market your residence;
- 4.** You find a bona fide buyer for your residence as a result of your independent marketing efforts;
- 5.** You transfer the residence to the RSC;
- 6.** Your agency pays a reduced fee or reduced expenses to the RSC as a result of your independent marketing efforts; and
- 7.** You meet any additional conditions your agency has established, which may include mandatory marketing periods, list price guidelines, closing requirements, and residence value caps.

(c) How much may my agency pay me as a home marketing incentive?

Your agency will determine the amount of your home marketing incentive payment. However, the incentive payment may not exceed the lesser of:

- 1.** Five percent of the price the RSC paid when it purchased the residence from you; or
- 2.** The savings your agency realized from the reduced fee or reduced expenses it paid as a result of you finding a bona fide buyer.

XX. Allowance for Property Management Services

(a) Is my agency required to authorize payment for property management services?

No, your agency is not required to authorize payment for property management services.

(b) What are property management services?

Property management services are programs provided by private companies, for a fee, which help an employee to manage his/her residence as a rental property at the old official work site. These services typically include, but are not limited to:

1. Obtaining a tenant;
2. Negotiating the lease;
3. Inspecting the property regularly;
4. Managing repairs and maintenance;
5. Enforcing lease terms;
6. Collecting the rent;
7. Paying the mortgage and other carrying expenses from rental proceeds and/or funds of the employee;
8. Accounting for the transactions; and
9. Providing periodic reports to the employee.

(c) What are the purposes of the allowance for property management services?

The purposes of the allowance for property management services are to:

1. Reduce overall Government relocation costs when used instead of sale of the employee's residence at Government expense; and/or
2. Relieve the employee of the costs of maintaining a home in the United States while stationed at a foreign area post of duty.

(d) Am I eligible for payment for property management services?

Yes, you are eligible for payment for property management services (if authorized by your agency) when you transfer in the interest of the Government and you and/or a member(s) of your immediate family hold(s) title to a residence which you are eligible to sell at Government expense.

(e) Who is not eligible for payment for property management services?

New appointees, employees assigned under the Government Employees Training Act (5 U.S.C. 4109), and employees transferring entirely within a foreign area are not eligible for payment for property management services. However, relocations entirely outside the United States or from one foreign area to a different foreign area do not affect previously authorized property management services as long as the employee continues to meet agency eligibility requirements.

(f) For what property may my agency authorize property management services?

Your agency may authorize property management services only for your residence in the United States at the last official work site from which you transferred.

XXI. Miscellaneous Expenses Allowance (MEA)

(a) Must my agency authorize payment of an MEA?

Yes, if you meet all of the applicable eligibility conditions in FTR 302-16.3, your agency must authorize payment of a MEA.

(b) Am I eligible for a MEA?

You are eligible for an MEA if:

1. Your agency authorized/ approved a PCS or TCS;
2. You discontinued and established a residence in connection with your PCS or TCS;
3. You meet the general eligibility for relocation conditions listed in FTR Chapter 302-1 and Chapter 302-16; and
4. You signed a service agreement.

(c) What would make me ineligible for an MEA?

You are ineligible for an MEA if you are a new appointee, an SES authorized for last move home benefits, an employee assigned under the Government Employees Training Act (5 U.S.C. 4109), or an employee returning from an overseas assignment for separation.

(d) What is the purpose of the MEA?

The MEA is intended to help defray some of the costs incurred during relocation. The MEA is related to expenses that are

common to living quarters, furnishings, hook up and disconnect of household appliances, and to other general types of costs inherent in relocation not covered by other relocation benefits.

(e) What amount may my agency reimburse me for miscellaneous expenses?

The following amounts will be paid for miscellaneous expenses without support or documentation of expenses:

1. If you have no immediate family relocating with you, either \$650 or the equivalent of one week basic gross pay, whichever is the lesser amount; or
2. If you have immediate family members relocating with you, \$1,300 or the equivalent of two weeks basic gross pay, whichever is the lesser amount.

(f) May I claim an amount in excess of the amounts shown above?

Yes, you may claim an amount in excess of that shown above, if you are authorized to do so by your agency, and the following conditions are met:

1. Your claim must be supported by acceptable statements of fact, paid bills or other acceptable evidence justifying the amounts claimed; and
2. The aggregate amount must not exceed your basic gross pay at the new station for one week, if you are relocating without an immediate family, or two weeks if you are relocating with an immediate family.

(g) Is a limitation placed on the amount I may receive that is in excess of the general MEA?

Yes, regardless of how much you spend, the amount authorized cannot exceed the basic pay rate of a GS-13 step 10 provided in 5 U.S.C. 5332 at the time you reported for duty at your new official work site.

(h) Must I document my miscellaneous expenses to receive reimbursement?

You must show documentation of your miscellaneous expenses only when an amount exceeds the \$650 or \$1300 MEA limits shown in paragraph (e).

(i) Are there any restrictions to the types of costs the agency may cover?

Yes, your MEA cannot be used to reimburse:

1. Costs or expenses incurred that exceed maximums provided by statute or in FTR Chapter 302;
2. Costs or expenses incurred but disallowed elsewhere in FTR Chapter 302;
3. Costs reimbursed under other provisions of law or regulations;
4. Costs or expenses incurred for reasons of personal taste or preference and not required because of the move;
5. Losses covered by insurance;
6. Fines or other penalties imposed upon the employee or members of his/her immediate family;
7. Judgments, court costs, and similar expenses growing out of civil actions; or
8. Any other expenses brought about by circumstances, factors, or actions in which the move to a new official work site was not the proximate cause.

(j) What are examples of frequently occurring costs that arise during the relocation process that are not covered by the MEA?

Examples of costs that are not reimbursable from this allowance are:

1. Losses in selling or buying real and personal property and cost related to such transactions;
2. Cost of additional insurance on household goods while in transit to the new official work site or cost of loss or damage to such property;
3. Additional costs of moving household goods caused by exceeding the maximum weight limitation;
4. Costs of newly acquired items, such as the purchase or installation cost of new rugs or draperies;
5. Higher taxes (income, real estate, sales, or other) as the result of establishing residence in the new locality;
6. Fines imposed for traffic infractions while en route to the new official work site locality;
7. Accident insurance premiums or liability costs incurred in connection with travel to the new official work site

locality, or any other liability imposed upon the employee for uninsured damages caused by accidents for which he/she or a member of his/her immediate family is held responsible;

8. Losses as a result of sale or disposal of items of personal property not considered convenient or practicable to move;
9. Damage or loss of clothing, luggage, or other personal effects while traveling to the new official work site locality;
10. Subsistence, transportation, or mileage expenses in excess of the amounts reimbursed as per diem or other allowances under this regulation;
11. Medical expenses due to illness or injuries while en route to the new official work site or while living in temporary quarters at Government expense under the provisions of this chapter; or
12. Costs incurred in connection with structural alterations (remodeling or modernizing of living quarters, garages or other buildings to accommodate privately owned automobiles, appliances or equipment; or the cost of replacing or repairing worn-out or defective appliances, or equipment shipped to the new location).

XXII. Taxes on Relocation Benefits

(a) Is any part of my relocation taxable?

Yes, unlike most temporary duty travel, relocation is not considered a standard business practice and is therefore taxable in accordance with U.S. tax law.

(b) Does the government reimburse the taxes that I will incur?

Yes, the government will reimburse you for substantially all of the taxes that you incur as a result of your relocation benefits.

(c) Why is the reimbursement for substantially all, and not exactly all, of the additional tax?

Congress has determined that, because of the complexity of the calculations, which involve not only Federal income tax but also the income tax rates of all the states and localities, as well as the unique circumstances of each relocation, it is not reasonable or necessary for the Government to compute the

exact impact of relocation on every affected employee's taxes. That is, Congress has determined that making a good faith effort to reimburse substantially all additional taxes is sufficient.

(d) Who is eligible for reimbursement of taxes on relocation benefits?

You are eligible for tax reimbursement if your agency is transferring you from one permanent duty station to another in the interest of the Government, and your agency is reimbursing you for relocation expenses that you incurred.

(e) Who is not eligible for reimbursement of taxes on relocation benefits?

You are not eligible if you are:

1. A new hire;
2. Assigned under the Government Employees Training Act; or
3. Returning from an overseas assignment for the purpose of separation from Government service.

(f) How does my agency calculate my tax benefits?

The processes for calculating your tax benefits are beyond the scope of this handbook. Please see FTR 302-17 for detailed information.

Relocating Federal Employees