

SMG 2310.6

FDA STAFF MANUAL GUIDES, VOLUME III - GENERAL ADMINISTRATION

FINANCIAL MANAGEMENT

BUDGET

PERMANENT CHANGE OF STATION - CIVILIAN EMPLOYEES

Effective Date: 05/15/2003

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**1. PURPOSE**

This Guide establishes the policy for relocation allowances when a Civilian employee is transferred from one duty station to another. This guide does not include entitlements for new employees.

**2. REFERENCES**

For more specific information about the policy and procedures for relocation allowances, please refer to 41 CFR Part 302 of the Federal Travel Regulations (FTR) and the Department of Health and Human Services (DHHS) Travel Manual.

**3. DEFINITIONS**

**A. Immediate Family.** Any of the following members of an employee's household: Spouse, children of the employee or employee's spouse who are unmarried and under 21 years of age or who, regardless of age, are physically or mentally incapable of self-support; dependent parents; dependent brothers and sisters.

- B. Dependent.** An individual will be considered a dependent of the employee if they receive at least 51 percent of their support from the employee or employee's spouse or if they are members of the employee's household and, in addition to their own income, receive support (less than 51 percent) from the employee or employee's spouse without which they would be unable to maintain a reasonable standard of living.
- C. Conterminous United States.** The several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the territories and possessions of the United States, and the areas and installations in the Republic of Panama that are made available to the United States pursuant to the Panama Canal Treaty in 1977 and related agreements (as described in section 3 (a) of the Panama Canal Act of 1979).
- D. Residence.** An employee's dwelling place or a place from which the employee regularly commutes to and from work.

#### 4. POLICY

The following policies govern permanent change of station of Government employees.

1. The transfer must be in the best interest of the Government and not primarily for the convenience or benefit of the employee or at their request.
2. Travel and transportation must be accomplished as soon as possible, within 2 years of the effective date of the employee's appointment.
3. The new duty station generally should be at least 50 miles distant from the old duty station. In the case of short distance relocation, authorization for relocation expenses is not an entitlement and generally not authorized. To authorize any expenses, at a minimum, both of the following two criteria must be met:
  - a. Relocation must be incident to a change of duty station.
  - b. The one-way commuting distance between the old residence and the new duty station must be at least 50 miles greater than the distance between the old residence and the old duty station.
4. The employee must agree in writing to remain in government service for a minimum of 12 months. Unless the employee is separated for reasons beyond their control, and the reason is acceptable to the agency, an employee who fails to remain in service for 12 months must

repay the government any amounts paid prior to the employee's separation.

5. Employees may only incur expenses related to relocation upon receipt of an approved travel order. Any expenses incurred prior to authorization of entitlements on an approved travel order will not be reimbursed.

## 5. ELIGIBILITY

- A. Current employees who are reassigned from one duty station to another.
- B. New appointees assigned to a position outside the conterminous United States and new appointees assigned to a position within the United States for which the Office of Personnel has determined that a personnel shortage exists.
- C. Student trainees assigned, upon completion of college work, to positions within the United States for which the Office of Personnel has determined that a personnel shortage exists.
- D. New appointees to the Senior Executive Service.
- E. Employees transferred due to a reduction-in-force ( RIF) or transfer of function.
- F. RIF employees re-employed within 1 year of separation. [NOTE: Employees described in 5a, 5e, and 5f may be authorized for reimbursement for all expenses listed under the section 6 "Allowable Expenses." Employees listed under 5b, 5c, and 5d may only be reimbursed for mileage and per diem, household goods and storage.

## 6. ALLOWABLE EXPENSES

- A. Permanent Change of Station Mileage Rates.** The reimbursement is based on a minimum driving distance not less than the average of 300 miles per calendar day. See Chapter 302 of the FTR for the current reimbursement rates.
- B. Use of More Than One POV.** Use of more than one POV may be authorized, must have a need, and must be approved in advance by the travel-approving official in block 10 of the Travel Order. Examples that are acceptable are listed below:
  1. Not enough room in one car for all family members.

2. Age or physical condition of family member.
3. Family member must remain at old duty station to finalize residence sales transaction, complete the school year, or make arrangements for household goods.

**C. Transportation of POV.** The agency may approve the expense of transportation of the employee's POV, if it is determined to be more advantageous and cost effective to the government. The expense shall be authorized on the travel order prior to transporting the employee's POV.

**D. Per Diem Enroute to New Duty Station.**

1. Employee: Standard Conus rate set by GSA.
2. Spouse (accompanies employee): 3/4 of employee rate.
3. Spouse (does not accompany employee): Same as employee rate.
4. Other family members (12 years and older): 3/4 of employee rate.
5. Other family members (under 12 years): 1/2 employee rate.

**E. Miscellaneous Expenses.**

1. Examples of miscellaneous expenses for which an employee may be reimbursed are: Connecting appliance and utilities; blocking a mobile home; cutting and fitting carpets and draperies; forfeitures on medical contracts; and auto registration and license.
2. Miscellaneous Expenses Allowance.
  - a. **Employee with Family.** A flat allowance of \$1000 or 2 weeks' basic pay, whichever is the lesser amount; or up to 2 weeks' basic pay for itemized actual expenses if supported by receipts or other documentation.
  - b. **Employee without family.** A flat allowance of \$500 or 1 week's basic pay, whichever is the lesser amount; or up to 1 week's basic pay for itemized actual expenses if supported by receipts or other documentation.

**NOTE:** Basic pay rate is limited to the maximum rate of Grade-13 at the time the employee reports for duty at the new station.

**F. House Hunting.**

1. **House Hunting Trip.** May be approved. A single trip of up to 10 days (including travel time) may be reimbursed only if completed by the employee before the employee reports to the new duty station. An employee's spouse may make a house-hunting trip at any time. The approving official shall reduce the number of nights in temporary quarters if a house-hunting trip is authorized. If the employee and spouse make separate house hunting trips, the cost for the two trips may not exceed the cost of a trip if they had traveled together. In order to be eligible for a House Hunting Trip, the old and new duty stations must be located within the United States, and the distance between the old and new duty stations must be at least 75 miles.
2. **Transportation Expenses.** Round-trip transportation expenses for employee and spouse between the old and new official station by common carrier; or a mileage allowance.
3. **Per Diem.** Per Diem allowance is not to exceed the maximum rate set by GSA.
4. **Authorization.** A House Hunting Trip must be specifically authorized on the travel order prior to travel.

**G. Temporary Quarters Subsistence.** An employee or members of the immediate family may be eligible for temporary quarters expenses.

1. **Expenses Covered.** Lodgings, meals (groceries), laundry, dry cleaning, pressing, tips. Expenses must be due to the use of temporary quarters. Only actual expenses can be allowed, up to the maximum rate allowed for temporary quarters. All expenses must be itemized, and supporting documentation must be provided.
2. **Maximum Time Allowable.** Subsistence expenses of the employee and each member of the employee's immediate family may be authorized in increments of 30 days or less, not to exceed 60 consecutive days. If a house hunting trip is authorized, the period for temporary quarters shall be reduced. Under certain circumstances, expenses may be allowed for an additional 60 consecutive days. The office funding the move must approve requests in advance for additional days in temporary quarters in advance.
3. **Authorization on Travel Order.** If Temporary Quarters are authorized, the authorization is for 60 days less any days for a house hunting trip. Any additional amount of time will require a justification signed by the approving official.

## H. Real Estate Transactions.

1. **Titling requirements.** The title must be solely in the name of the employee, jointly in the names of the employee and one or more family members, or solely in the names of one or more family members; interest in a cooperatively owned dwelling must be in the name of the employee or family member.
2. **Recognized residences.** Single unit dwelling, condominium, cooperatively owned dwelling, mobile home, mobile home lot, boat/houseboat.
3. Examples of residence expenses for which an employee may be reimbursed within prescribed limits are:
  - Advertising expenses - sale only
  - Appraisal fees
  - Broker's fees/real estate commission - sale only
  - Courier
  - FHA/VA loan application fee
  - Legal fees for title opinion
  - Mortgage and transfer taxes (sales tax)
  - Mortgage title insurance - purchase only
  - Notary fees
  - Preparation of abstract
  - Preparation of credit report - purchase only
  - Surveys and preparation of drawings and plats
  - Title insurance policy
  - Title search

Contact the Travel Audit Section, Office of Financial Management, to learn the current maximum limitations on reimbursement

4. Examples of **non-reimbursable** residence expenses are:

- Cost of litigation
- Finance charges
- Insurance: Mortgage insurance and casualty insurance
- Interest and financing fees
- Losses due to market conditions
- Property taxes
- Costs associated with investment property transactions.

5. **Residence Transactions Required Documents.** All costs associated with the sale and/or purchase of a residence should be summarized on form HHS-351 (Attachment A).

**I. Transportation and Temporary Storage of Household Goods and Professional Books, Papers, and Equipment.**

1. **Maximum weight allowance.** The maximum weight of household goods that may be transported or stored at Government expense is 18,000 pounds.
2. **Professional Books and Equipment.** Transportation and storage shall not be charged against the employee's weight allowance. An itemized inventory of materials shall be reviewed by an authorizing official who will certify that materials are 1) necessary to performance of official duty, or 2) unavailable at the new station and shipment is necessary in lieu of the government purchasing the materials.
3. **Temporary Storage.** Temporary storage of household goods at Government expense may be allowed when such storage is incident to transportation of the household goods at Government expense. Temporary storage shall not exceed a period of 90 days, except in unusual circumstances. In certain circumstances, the initial 90-day period may be extended for a period not to exceed 90 days.
4. **Non-Temporary Storage.** Non-temporary storage of household goods belonging to an employee transferred, or a new appointee assigned to an official duty station in the conterminous United States which has

been designated as an isolated location, shall be allowed under the following conditions:

- a. The type of quarters the employee is required to occupy at the isolated permanent duty station will not accommodate the employee's household goods; or,
- b. Residence quarters that would accommodate the employee's household goods are not available within reasonable daily commuting distance of the official station.

**NOTE:** Authorization for non-temporary storage must not be primarily for the convenience or at the request of the employee.

**J. Relocation Services.** In some cases, an employee may be entitled to use the Relocation Service Contract to sell their old residence. Before use of the Relocation Service may be authorized, the employee must have first independently marketed their residence. Use of the contract must be specifically authorized on the employee's travel order. See SMG 2310.4 for details on the use of this service.

**K. Relocation Income Tax.**

1. Some aspects of relocation expenses are considered taxable income by the Federal government; and, the employee will be issued a separate W-2 that cover taxable reimbursable expenses.
2. Payment of a relocation income tax (RIT) allowance is authorized to reimburse eligible transferred employees for substantially all of the additional Federal, state, and local income taxes incurred by the employee, or by the employee and spouse if a joint tax return is filed, as a result of certain allowances which are furnished in kind, or for which reimbursement or an allowance is provided by the Government.
3. For answers to specific questions about taxable amounts and the relocation income tax allowance, contact the Relocation Income Tax Coordinator.

**7. EFFECTIVE DATE**

This issuance is effective May 15, 2003.