

(b) Five percent of the actual purchase price of the residence for the purchase of a residence at the new official station.

PART 302-12—USE OF A RELOCATION SERVICES COMPANY

Subpart A—Employee's Use of a Relocation Services Company

Sec.

- 302-12.1 Am I eligible to use a relocation services company?
- 302-12.2 Who determines if I may use a relocation services company?
- 302-12.3 Under what conditions may I use a relocation services company?
- 302-12.4 For what relocation services expenses will my agency pay?
- 302-12.5 If I use a contracted-for relocation service that is a substitute for reimbursable relocation allowance, will I be reimbursed for the relocation allowance as well?
- 302-12.6 What expenses will my agency pay if I use a relocation services company to ship household goods in excess of the maximum weight allowance?
- 302-12.7 What expenses will my agency pay if I use a relocation services company to sell or purchase a residence for which I and/or a member(s) of my immediate family do not have full title?
- 302-12.8 If my agency authorizes me to enter a homesale program, must I accept a buyout offer from the relocation services company?
- 302-12.9 What are the income tax consequences if I use a relocation services company?

Subpart B—Agency's Use of a Relocation Services Company

- 302-12.100 What are "relocation services"?
- 302-12.101 May we enter into a contract with a relocation services company for the company to provide relocation services?
- 302-12.102 What contracted relocation services may we provide at Government expense?
- 302-12.103 May we separately contract for each type of relocation service?
- 302-12.104 What is the purpose of contracting for relocation services?
- 302-12.105 How must we administer a relocation services contract?
- 302-12.106 What policies must we establish when offering our employees the services of a relocation services company?
- 302-12.107 What rules must we follow when contracting for relocation services?
- 302-12.108 What are the income tax consequences that we must consider when offering relocation services?

- 302-12.109 What must we consider in deciding whether to use the fixed-fee or cost-reimbursable contracting method?
- 302-12.110 May we take title to an employee's residence?
- 302-12.111 Under a homesale program, may we establish a maximum home value above which we will not pay for homesale services?
- 302-12.112 Under a homesale program, may we pay an employee for losses he/she incurs on the sale of a residence?
- 302-12.113 Under a homesale program, may we direct the relocation services company to pay an employee more than the fair market value of his/her residence?
- 302-12.114 May we use a relocation services contract for services which we are contractually bound to obtain under another travel services contract?

AUTHORITY: 5 U.S.C. 5738 and 20 U.S.C. 905(c).

SOURCE: FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, unless otherwise noted.

Subpart A—Employee's Use of a Relocation Services Company

NOTE TO SUBPART A: Use of pronouns "I", "you", and their variants throughout this subpart refers to the employee.

§ 302-12.1 Am I eligible to use a relocation services company?

Yes, if you are an employee who is authorized to transfer and such transfer includes residence transaction.

§ 302-12.2 Who determines if I may use a relocation services company?

Your agency must determine if you may use a relocation services company.

§ 302-12.3 Under what conditions may I use a relocation services company?

You may use a relocation services company if you:

- (a) Meet all conditions required for you to be eligible for an allowance contained in this chapter for which a service provided by the relocation services company would serve as a substitute, and you are authorized to use a specific relocation service provided by the company as a substitute;
- (b) Have signed a service agreement; and
- (c) Meet any specific conditions your agency has established.

Relocation Allowances

§ 302-12.101

§ 302-12.4 For what relocation services expenses will my agency pay?

Your agency will pay the relocation services company's fees/expenses for the services you are authorized to use. If your agency pays the relocation services company for actual expenses the company incurs on your behalf, payment to the company is limited to what you would have received under the direct reimbursement provisions of this chapter.

§ 302-12.5 If I use a contracted-for relocation service that is a substitute for reimbursable relocation allowance, will I be reimbursed for the relocation allowance as well?

No, if you use a contracted-for relocation service that is a substitute for reimbursable relocation allowance, you will not be reimbursed for the relocation as well.

§ 302-12.6 What expenses will my agency pay if I use a relocation services company to ship household goods in excess of the maximum weight allowance?

If you use a relocation services company to ship HHG in excess of the maximum weight allowance, your agency will pay the portion of the fee attributable to 18,000 pounds net weight. You must pay the rest.

§ 302-12.7 What expenses will my agency pay if I use a relocation services company 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 relocation services company 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 relocation services company's fee attributable to your pro rata share of the residence, in accordance with § 302-11.103 of this chapter. You must pay any portion of the fee attributable to other than your pro rata share of the residence.

§ 302-12.8 If my agency authorizes me to enter a homesale program, must I accept a buyout offer from the relocation services company?

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 relocation services company.

§ 302-12.9 What are the income tax consequences if I use a relocation services company?

You may incur income taxes on relocation services provided by a relocation services company and paid for by your agency. Section 82 of the Internal Revenue Code states there shall be included in gross income (as compensation for services) any amount received or accrued, directly or indirectly, by an individual as a payment for or reimbursement of expenses of moving from one residence to another residence which is attributable to employment. You will receive a relocation income tax (RIT) allowance if your agency determines that such expenses are taxable. The Government does not assume responsibility for payment of your taxes, however, and you may wish to consult a tax professional on income tax reporting.

Subpart B—Agency's Use of a Relocation Services Company

NOTE TO SUBPART B: Use of pronouns "we", "you", and their variants throughout this subpart refers to the agency.

§ 302-12.100 What are "relocation services"?

"Relocation services" are services provided by a private company under a contract with an agency to assist a transferred employee in relocating to the new official station. Examples include homesale programs, home marketing assistance, home finding assistance, and property management services.

§ 302-12.101 May we enter into a contract with a relocation services company for the company to provide relocation services?

Yes, you may enter into a contract with a relocation services company for