

§ 302-3.429

of your permanent assignment to your temporary official station, your agency may pay for transporting your household goods, subject to the 18,000-pound limit, between the residence you occupied during your temporary assignment and your new residence.

§ 302-3.429 Are there any relocation allowances my agency may not pay if I am permanently assigned to my temporary official station?

If you are permanently assigned to your temporary official station, your agency may not pay:

(a) Expenses of a househunting trip for you and your spouse to your temporary official station under part 302-5 of this chapter; or

(b) Residence transaction expenses for selling a residence or breaking a lease at the temporary official station under part 302-11 of this chapter.

Subpart F—Agency Responsibilities

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

§ 302-3.500 What governing policies and procedures must we establish for paying a relocation allowance under this part 302-3?

You must establish how you will implement policies that are required for this part, which include:

(a) When you will pay relocation expenses if an employee violates his/her service agreement;

(b) When you will authorize separate relocation allowances to an employee and an employee’s immediate family member that are both transferring to the same official station;

(c) When you will grant an employee and/or the employee’s immediate family member(s) an extension on beginning separation travel;

(d) When you will allow an employee to arrange his/her own relocation upon separation;

(e) When you will authorize a temporary change of station (TCS);

(f) When you will define an area not to reimburse for a TCS;

(g) When you will pay extended storage of household goods for TCS; and

41 CFR Ch. 302 (7-1-10 Edition)

(h) What relocation allowances you will and will not pay when an employee is permanently assigned to a temporary official station.

§ 302-3.501 Must we establish any specific procedures for paying a relocation allowance to new appointees?

Yes, you must establish specific guidelines for paying a relocation allowance to new appointees. These guidelines must establish the:

(a) Criteria in accordance with 5 CFR part 572 on how you will determine if a new appointee is eligible for the relocation allowances authorized therein; and

(b) Procedures which will provide new appointees with information surrounding his/her benefits.

§ 302-3.502 What factors should we consider in determining whether to authorize a TCS for a long-term assignment?

You should consider the following factors in determining whether to authorize a TCS:

(a) *Cost considerations.* You should consider the cost of each alternative. A long-term temporary duty travel assignment requires the payment of either per diem or actual subsistence expenses for the entire period of the assignment. This could be very costly to the agency over an extended period. A TCS will require fairly substantial relocation allowance payments at the beginning and end of the assignment, and less substantial payments for extended storage and property management services, when authorized, during the period of the assignment. Agencies should estimate the total cost of each alternative and authorize the one that is most advantageous for the agency, cost and other factors considered;

(b) *Tax considerations.* An employee who performs a temporary duty travel assignment exceeding one year at a single location is subject to income taxation of his/her travel expense reimbursements. The Income Tax Reimbursement Allowance (ITRA) allows for the reimbursement of Federal, State and local income taxes incurred as a result of an extended temporary duty assignment (see §§ 301-11.501 through 301-11.640 of this title). An employee who is authorized and performs a TCS also will be subject to income taxation

Relocation Allowances

§ 302-3.508

of some, but not all, of his/her TCS expenses. You will pay an offsetting Relocation Income Tax (RIT) allowance on an employee's TCS expense reimbursements; and

(c) *Employee concerns.* The long-term assignment of an employee away from his/her official station and immediate family may negatively affect the employee's morale and job performance. Such negative effects may be alleviated by authorizing a TCS so the employee can transport his/her immediate family and/or household goods at Government expense to the location where he/she will perform the long-term assignment. You should consider the effects of a long-term temporary duty travel assignment on an employee when deciding whether to authorize a TCS.

SERVICE AGREEMENTS

§ 302-3.503 **Must we require employees to sign a service agreement?**

Yes, you must require employees to sign a service agreement if the employee is receiving reimbursement for relocation travel expenses, except as provided in §302-3.410 for a temporary change of station.

§ 302-3.504 **What information should we include in a service agreement?**

The service agreement should include, but not be limited to the following:

- (a) The employee's name;
- (b) The employee's effective date of transfer or appointment;
- (c) The employee's actual place of residence at the time of appointment;
- (d) The name of all dependents that are authorized to travel under the TA;
- (e) Detailed information regarding the employee's obligation to repay funds spent on his/her relocation as a debt due the Government if the service agreement is violated;
- (f) The employee's agreed period of time (see §302-3.505) to remain in service; and
- (g) The employee's signature accepting the terms of the agreement.

§ 302-3.505 **How long must we require an employee to agree to the terms of a service agreement?**

You must require an employee to agree to the terms of a service agreement:

- (a) Within the continental United States for a period of service of not less than 12 months following the effective date of your transfer;
- (b) Outside the continental United States for an agreed upon period of service of not more than 36 months or less than 12 months following the effective date of transfer;
- (c) Department of Defense Overseas Dependent School System teachers for a period of not less than one school year as determined under chapter 25 of Title 20, United States Code; and
- (d) Renewal agreement travel for a period of not less than 12 months from the date of return to the same or different overseas duty station.

§ 302-3.506 **May we pay relocation expenses if the employee violates his/her service agreement?**

If an employee does not fulfill the terms of the service agreement, the employee is indebted to the Government for all relocation expenses that have been reimbursed to the employee or that have been paid directly by the Government. However, if the reasons for not fulfilling the terms of the service agreement are beyond the employee's control and acceptable to the agency, you may release the employee from the service agreement and waive any indebtedness.

NEW APPOINTEES

§ 302-3.507 **Once we authorize relocation expenses for new appointees or student trainees what expenses must we pay?**

Once you authorize relocation expenses for new appointees or student trainees, you must pay expenses in accordance with §302-3.2.

§ 302-3.508 **What relocation expenses are not authorized for new appointees or student trainees?**

You must not pay any expenses to new appointees or student trainees for a relocation that are not listed under §302-3.2.