

Relocation Allowances

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302-12.116 What must we consider in deciding whether to use the fixed-fee or cost-reimbursable contracting method?

302-12.117 May we take title to an employee's residence?

302-12.118 Under a homesale program, may we establish a maximum home value above which we will not pay for homesale services?

302-12.119 Under a homesale program, may we pay an employee for losses he/she incurs on the sale of a residence?

302-12.120 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?

302-12.121 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 Who determines if I may use a RSC?

Your agency determines whether you may use a RSC and chooses which RSC you may use.

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

§ 302-12.2 Under what conditions may I participate in my agency's homesale program?

You may participate in your agency's homesale program, through its RSC contract, blanket purchase agreement, task order, or other formal arrangement (for the remainder of this part, all of these will be referred to as the contract with the RSC) provided you meet all of the following conditions:

- (a) You are authorized to relocate;
- (b) Your relocation includes at least one residence transaction;
- (c) You have signed a relocation service agreement;
- (d) Your agency authorizes you to use a RSC with which your agency has a contract;
- (e) Your residence is within RSC contract scope for type, size, condition, and other contractual requirements;

(f) You meet all conditions established by this Chapter for the services that the RSC will provide to you; and

(g) You have signed an agreement with your agency to enter the agency's homesale program and to abide by all terms of the agency's contract with the RSC (*see* § 302-12.4 for contract term examples).

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

§ 302-12.3 Am I required to participate in homesale counseling?

Yes, you are required to participate in homesale counseling if you are going to use the RSC. The RSC and/or your agency must provide counseling to help you understand the process, select a broker, prepare your home for sale, identify an appropriate selling price, set realistic expectations, etc. This counseling may be in person or via an electronic medium, at your agency's discretion. Your agency should also provide you with relocation information/counseling prior to you making any decisions to relocate.

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

§ 302-12.4 To what terms of the RSC contract am I required to agree?

Your agency determines the contract terms to which you will be required to agree. Examples of these contract terms may include, but are not limited to, the following:

- (a) You will participate in counseling provided by the RSC;
- (b) You will seriously consider any bona fide offer that you receive during the minimum marketing period;
- (c) As a precondition of using its relocation services, you will complete and submit a disclosure form to the RSC to provide thorough information about the age and condition of your home and its systems.

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

§ 302-12.5 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

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what you would have received under the direct reimbursement provisions of this chapter.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

§ 302-12.6 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.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated at 76 FR 18343, Apr. 1, 2011]

§ 302-12.7 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.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

§ 302-12.8 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.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated at 76 FR 18343, Apr. 1, 2011]

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§ 302-12.9 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.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated at 76 FR 18343, Apr. 1, 2011]

§ 302-12.10 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.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

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 an employee who relocates. Examples include homesale programs, home marketing assistance, home finding assistance, and property management services.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended at 86 FR 73684, Dec. 28, 2021]