

## Relocation Allowances

Pt. 302-15

(b) The savings your agency realized from the reduced fee/expenses it paid as a result of you finding a bona fide buyer.

### **§ 302-14.7 Are there tax consequences when I receive a home marketing incentive payment?**

Yes, the home marketing incentive payment is considered income. Consequently, you will be taxed, and your agency will withhold income and employment taxes, on the home marketing incentive payment. You will not, however, receive a withholding tax allowance (WTA) to offset the withholding on your home marketing incentive payment, nor will you receive a relocation income tax (RIT) allowance payment for substantially all of your Federal, state and local income taxes on the incentive payment.

## **Subpart B—Agency Responsibilities**

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

### **§ 302-14.100 How should we administer our home marketing incentive payment program?**

Your goal in using an incentive payment program is to reduce your overall relocation costs. You must not make a home marketing incentive payment that exceeds the savings you realize from the reduced fees/expenses you pay the relocation services company.

### **§ 302-14.101 What policies must we establish to govern our home marketing incentive payment program?**

You must establish policies to govern:

- (a) The conditions under which you will authorize a home marketing incentive payment for an employee;
- (b) The amount of the home marketing incentive payment(s) you will offer (or) the method you will use to compute your home marketing incentive payments); and
- (c) Who will determine in each case whether a home marketing incentive payment is authorized.

### **§ 302-14.102 What factors should we consider in determining whether to establish a home marketing incentive payment program?**

In determining whether to establish a home marketing incentive payment program, you should consider:

(a) Whether the program will increase the percentage of residences sold for which employees find a bona fide buyer. You should establish a benchmark for the percentage of residences for which you expect employees to find a bona fide buyer resulting in lower homesale costs to you. If your historical percentage of employee-generated sales is below your benchmark, a home marketing incentive payment program may benefit you; and

(b) The expected net savings from a home marketing incentive payment program.

### **§ 302-14.103 What factors should we consider in determining the amount of a home marketing incentive payment?**

In determining the amount of a home marketing incentive payment, you should consider the:

(a) Amount of savings from reduced fee/expenses paid to the relocation services company. The home marketing incentive payment program is intended to reduce your relocation costs. The amount of each home marketing incentive payment you make, therefore, must not exceed the savings you realize from the reduced fee you pay to the relocation services company; and

(b) Employee's efforts in marketing the residence. The purpose of a home marketing incentive payment program is to encourage a transferred employee who participates in a homesale program to independently and aggressively market his/her residence and find a bona fide buyer.

## **PART 302-15—ALLOWANCE FOR PROPERTY MANAGEMENT SERVICES**

### **Subpart A—General Rules for the Employee**

Sec.

302-15.1 What are property management services?

## § 302-15.1

## 41 CFR Ch. 302 (7-1-23 Edition)

- 302-15.2 What are the purposes of the property management services allowance?
- 302-15.3 Am I eligible for payment for property management services under this part?
- 302-15.4 Who is not eligible for payment for property management services?
- 302-15.5 Is my agency required to authorize payment for property management services?
- 302-15.6 Under what circumstances may my agency authorize payment under this part?
- 302-15.7 For what property may my agency authorize payment under this part?
- 302-15.8 When my agency authorizes payment for me under this part, am I obligated to use such services, or may I elect instead to sell my residence at Government expense?
- 302-15.9 Must I repay property management expenses my agency paid under this part if I elect to sell my former residence in the United States at Government expense when I am transferred from my current foreign post of duty to an official station in the United States other than the one I left?
- 302-15.10 How long may my agency pay under this part?
- 302-15.11 If my agency authorized, and I elected to receive, payment for property management expenses, may I later elect to sell my residence at Government expense?
- 302-15.12 If my agency is paying for property management services under this part and my service agreement expires, what must I do to ensure that payment for property management services continues?
- 302-15.13 What are the income tax consequences when my agency pays for my property management services?

### Subpart B—Agency Responsibilities

- 302-15.70 What governing policies must we establish for the allowance for property management services?

AUTHORITY: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971-1975 Comp., p. 586.

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

### Subpart A—General Rules for the Employee

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

## § 302-15.1 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 at the old official station as a rental property. These services typically include, but are not limited to, obtaining a tenant, negotiating the lease, inspecting the property regularly, managing repairs and maintenance, enforcing lease terms, collecting the rent, paying the mortgage and other carrying expenses from rental proceeds and/or funds of the employee, and accounting for the transactions and providing periodic reports to the employee.

## § 302-15.2 What are the purposes of the property management services allowance?

The purposes of the property management services allowance are to:

- (a) Reduce overall Government relocation costs by using the property management services allowance in place of allowances for the sale of the employee’s residence; and
- (b) Relieve employees transferred to OCONUS duty stations from the costs of maintaining a home in CONUS during their tour of duty.

[FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

## § 302-15.3 Am I eligible for payment for property management services under this part?

Yes, you are eligible for payment for property management services when:

- (a) You transfer in the interest of the Government; and
- (b) 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 under part 302-11 or part 302-12 of this chapter.

## § 302-15.4 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 wholly outside the United States are not eligible for payment for property management services. However, relocations wholly outside the United States do not affect