

## § 302-14.1

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### Subpart A—Payment of Incentive to the Employee

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

#### § 302-14.1 What is a “homesale program”?

A “homesale program” is a program offered by an agency through a contractual arrangement with a relocation services company. The relocation services company purchases a transferred employee's residence at fair market (appraised) value and then independently markets and sells the residence.

#### § 302-14.2 What is the purpose of a home marketing incentive payment?

The purpose of a home marketing incentive payment is to reduce the Government's relocation costs by encouraging transferred employees to participate in their employing agency's homesale program to independently and aggressively market, and find a bona fide buyer for their residence.

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This significantly reduces the fees/expenses their agencies must pay to relocation services companies and effectively lowers the cost of such programs.

#### § 302-14.3 Am I eligible to receive a home marketing incentive payment?

Yes, you are eligible to receive a home marketing incentive payment if you are an employee who is authorized to transfer and you otherwise meet requirements for sale of your residence at Government expense.

#### § 302-14.4 Must my agency pay me a home marketing incentive?

No, your agency determines when it is in the Government's interest to offer you a home marketing incentive.

#### § 302-14.5 Under what circumstances will I receive a home marketing incentive payment?

You will receive a home marketing incentive payment when:

- (a) You enter your residence in your agency's homesale program;
- (b) You independently and aggressively market your residence;
- (c) You find a bona fide buyer for your residence as a result of your independent marketing efforts;
- (d) You transfer the residence to the relocation services company;
- (e) Your agency pays a reduced fee/expenses to the relocation services company as a result of your independent marketing efforts;
- (f) You meet any additional conditions your agency has established, including but not limited to, mandatory marketing periods, list price guidelines, closing requirements, and residence value caps; and
- (g) Your agency has established a home marketing incentive program.

#### § 302-14.6 How much may my agency pay me for a home marketing incentive?

Your agency will determine the amount of your home marketing incentive payment. The incentive payment, however, may not exceed the lesser of:

- (a) Five percent of the price the relocation services company paid when it purchased the residence from you; or

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(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?