240 FOREIGN TRANSFER ALLOWANCE (Last updated INTERIM EFF. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

241 Description

241.1 Definitions

a. "Foreign transfer allowance" means an allowance under 5 U.S.C. 5924(2)(A) for extraordinary, necessary and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing themself at any post of assignment in a foreign area, including costs incurred in the United States, its territories, possessions, the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands prior to departure for such post. (Eff. 04/09/2023 TL:SR 1070)

b. "Transfer" in Section 240 means an appointment, assignment, reassignment, or transfer that involves travel on the part of an employee from one foreign post to another or from a place listed in Section 242.2b, to a post listed in Section 920. (See Section 242.7) (Eff. 04/09/2023 TL:SR 1070)

c. "United States", for the purposes of this section, means the several States of the United States of America, including Alaska and Hawaii, the District of Columbia, its territories or possessions, the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.

\*241.2 Scope (Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

The foreign transfer allowance is composed of five elements:

a. a lump sum miscellaneous expense portion to assist with certain extraordinary costs. The following and similar types of extraordinary costs may be reimbursed with this allowance provided they are deemed to be reasonable and necessary in the individual case:

(1) disconnecting and connecting appliances, equipment and utilities;

(2) converting household equipment and appliances for operation on available utilities (including necessary power transformers);

(3) cutting and fitting rugs, draperies and curtains moved from one residence to another---not cost of new rugs, etc.;

(4) utility fees or contract deposits that are not offset by eventual refunds;

(5) automobile registration, driver's license and similar fees;

(6) personal cable and telephone costs attributable to the relocation of the employee and their family exclusive of such costs relating to travel and hotel arrangements intended to be reimbursed by per diem to which the employee is entitled; (Eff. 04/09/2023 TL:SR 1070)

(7) Not in use. See DSSR 241.2e for Pet Shipment and Required Quarantine Expense Portion. (Eff. 04/09/2023 TL:SR 1070)

(8) removal or re-installation of catalytic converter;

(9) required removal or installation by host country law of automobile parts (such as tinted windows or special lights);

(10) Agent fees incurred for living quarters in a foreign area that are not offset by an eventual refund provided the fees were not authorized as an allowable Living Quarters Allowance expense under Sections 113.3c and 131.2(4);

(11) Reasonable and necessary rental car fees at the foreign post of assignment when their privately owned vehicle (POV) is delayed arriving at the foreign post of assignment. Allowable expenses include (1) rental car fee (not to include luxury, premier or exotic categories or upgrades to such categories) which may include one additional family member driver, child’s required car seat or booster seat; (2) fuel (the energy source needed to power a vehicle such as petroleum, hydrogen, propane, and electricity); and (3) Collision Damage Waiver (CDW) or theft insurance, or both, when such insurance is necessary in the foreign location because the rental or leasing agency requirements, foreign statute, or legal procedures could cause extreme difficulty for an employee or family member involved in an accident. Rental car fees may be reimbursed only through the day the POV arrives or through the day a POV is purchased at the foreign post of assignment; (Eff. 04/09/2023 TL:SR 1070)

(12) required removal and replacement of lithium batteries for items shipped in household effects and unaccompanied air baggage; (Eff. 04/09/2023 TL:SR 1070)

(13) replacement of technology devices (cell phone, desktop, laptop, and tablets) to include, but not limited to, relocations to or from posts experiencing voltage disruptions, carrier limitations, or environmental conditions or other situations that impact the integrity of the device: and   (Eff. 04/09/2023 TL:SR 1070)

(14) reasonable and necessary internet installation or disconnection fees for establishing an internet connection, or ending service attributed to relocation of the employee to a new post, that are not offset by an eventual refund or credit. (Eff. 04/09/2023 TL:SR 1070)

Types of costs not covered include the following:

(1) losses in selling or buying real and personal property and costs of items related to such transactions;

(2) costs which are reimbursed under other provisions of these regulations or under any other regulations or under provisions of any statute;

(3) additional costs of moving household goods caused by exceeding the maximum weight limitation for which the employee has eligibility as provided by law or in regulations;

(4) costs of newly acquired items such as the purchase or installation costs of new rugs or draperies;

(5) higher income, real estate, sales, or other taxes as the result of establishing residence in the new post;

(6) fines imposed for traffic infractions while en route to the new post;

(7) accident insurance premiums or liability costs incurred in connection with travel to the new post, or any other liability imposed upon the employee for uninsured damages caused by accidents for which the employee or a family member is held responsible; (Interim eff. 7/5/2009 TL:SR 711; final eff. 8/30/2009 TL:SR 715)

(8) losses as the result of the sales or disposal of items or personal property not considered convenient or practicable to move;

(9) damage or loss of clothing, luggage or other personal effects while traveling to the new post;

(10) subsistence, transportation or mileage expenses in excess of the amounts reimbursed as per diem or other allowances under pertinent regulations;

(11) medical expenses due to illness or injury of the employee or a member of family while en route to the new post;

(12) costs incurred in connection with structural alterations; remodeling or modernizing of living quarters, garages or other buildings, to accommodate privately owned automobiles, appliances or equipment or the cost of replacing or repairing worn-out or defective appliances or equipment shipped to the new post;

(13) additional insurance on household goods while in transit to the new post.

b. a lump sum wardrobe expense portion. For this portion, posts are grouped into three zones (1, 2, 3) according to climate (cold, moderate, hot, respectively) and amount is determined for employee with or without family. The flat amounts provided for in this portion are intended to offset a part of the wardrobe cost of transfer between one or two zones. (Eff. 04/09/2023 TL:SR 1070)

c. a predeparture subsistence expense portion applicable to lodging, restaurant meals including tips, groceries, laundry, cleaning and pressing expenses in temporary quarters for employee and each member of family for up to 10 days before final departure from a post in the United States to a post in a foreign area, beginning not more than 30 days after they have vacated residence quarters. Expense of local transportation is not allowable. (Eff. 04/09/2023 TL:SR 1070)

d. a lease penalty expense portion to assist employees departing either the U.S. or foreign area to help offset the expense of unavoidable lease penalties in the U.S. or a foreign area for the early termination of a residence quarters lease due to transfer required by a Federal agency.

\*e. a pet shipment and required quarantine expense portion to help offset the expenses of shipping a family pet or pets and required quarantine from a U.S. post of assignment to a foreign post of assignment or from one foreign post of assignment to another foreign post of assignment to include a home leave or renewal agreement travel stop. (Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

\*242 Amounts (Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

242.1 Miscellaneous Expense Portion

a. The following amounts may be granted without receipts or itemizing required:

(1) for an employee without family - $750 or the equivalent of one week's salary, whichever is the lesser amount; (Eff. 04/09/2023 TL:SR 1070)

(2) for an employee with family - $1,500 or the equivalent of two weeks' salary, whichever is the lesser amount. (Eff. 04/09/2023 TL:SR 1070)

b. The following amounts, based on the employee's salary at the time of entrance on duty at the new foreign post of assignment, may be granted in lieu of the amounts provided in Section 242.1a, if supported by either paid bills or other acceptable evidence justifying the amounts claimed: (Eff. 04/09/2023 TL:SR 1070)

(1) for an employee without family - an amount based on actual allowable itemized expenditures not to exceed one week's salary for the employee or one week's salary for an employee at GS-13, step 10, whichever is the lesser amount;

(2) for an employee with family - an amount based on actual allowable itemized expenditures not to exceed two weeks’ salary for the employee or two weeks' salary for an employee at GS-13, step 10, whichever is the lesser amount. (Eff. 04/09/2023 TL:SR 1070)

242.2 Wardrobe Expense Portion (Eff. 04/09/2023 TL:SR 1070)

a. Transfer Between Foreign Posts

The amount of the wardrobe expense portion of the foreign transfer allowance granted to an employee shall be determined by the zone classification of the respective posts to which and from which the employee is transferred that are in effect on the date of arrival at the new post and by family size. Receipts for wardrobe expenses are not required and such receipts may not be submitted to support any claim for miscellaneous expenses. (Eff. 04/09/2023 TL:SR 1070)

b. Transfer Between the United States or Other Specified Places and Foreign Areas

Places listed below shall be classified as indicated for the purpose of determining the amount of the wardrobe expense portion of the transfer allowance payable to an employee who is transferred from one of these places to a post listed in Section 920. (Eff. 04/09/2023 TL:SR 1070)

ALASKA....ZONE 1

COMMONWEALTH OF PUERTO RICO....ZONE 3

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS....ZONE 3

CONTERMINOUS UNITED STATES....ZONE 2

HAWAII....ZONE 2

PACIFIC ISLAND POSSESSIONS OF THE UNITED STATES ZONE 3

VIRGIN ISLANDS OF THE UNITED STATES....ZONE 3

|  |  |
| --- | --- |
| Family Size | One or Two Zone Transfers |
| Employee without family  Employee with family  (Eff. 04/09/2023 TL:SR 1070) | One Zone $350  Two Zones $700  One Zone $700  Two Zones $1400  (Eff. 04/09/2023 TL:SR 1070) |

242.3 Predeparture Subsistence Expense Portion (Eff. 04/09/2023 TL:SR 1070)

The amount of predeparture subsistence expense granted to an employee for expenses in departing a post in the United States for a post in a foreign area shall be determined according to the maximum per diem rate for the U.S. locality from which transferred and according to family status, except that lodging tax incurred as predeparture lodging expense shall not be included in the amount of lodging expense subject to the maximum per diem rate cap but may be reimbursed separately. Agencies may choose either the Partial Flat Rate Method described at “a.” or the Total Actual Subsistence Method of reimbursement to employees at “b.”.

Agencies may offer either method under “a.” or “b.” but not both as follow:

a. Partial Flat Rate Method. Agencies may allow employees to be reimbursed an actual lodging amount (excluding lodging tax) up to the lodging portion of the per diem of the locality from which transferred and a flat amount equal to the meal and incidental expense (M&IE) portion of the per diem according to the formula below. In addition to this amount, agencies may allow for employees to be reimbursed separately for taxes imposed on actual lodging expenses. Receipts are required for only lodging if this method is followed.

For the initial occupant, whether employee or family member age 12 or over, a daily lodging amount not in excess of the published lodging portion of the per diem rate for the locality from which transferred and a flat amount equal to the meal and incidental expense portion of the referenced per diem rate to defray costs for restaurant meals including tips, groceries, laundry and dry cleaning. (Eff. 04/09/2023 TL:SR 1070)

For each additional occupant, whether employee or family member age 12 or over, a daily lodging amount not in excess of 75% of the published lodging portion of the per diem rate for the locality from which transferred and a flat amount equal to 75% of the meal and incidental expense portion of the referenced per diem rate to defray costs for restaurant meals including tips, groceries, laundry and dry cleaning. (Eff. 04/09/2023 TL:SR 1070)

For each family member occupant under age 12, a daily lodging amount not in excess of 50% of the published lodging portion of the per diem rate for the locality from which transferred and a flat amount equal to 50% of the meal and incidental expense portion of the referenced per diem rate to defray costs for restaurant meals including tips, groceries, laundry and dry cleaning. (Eff. 04/09/2023 TL:SR 1070)

Example of the Partial Flat Rate Method: If Per diem for U.S. post of assignment is $251 (Lodging portion $172; M&IE portion $79), allowable amounts for employee and each family member are as follow:

Lodging Flat Rate

Maximum Portion

Initial Occupant (Empl. or Fam. Member 12 & over)

(100% of each portion) $172 $79

Each Add’l Occupant (12 & over)

(75% of each portion) $129 $59.25

Each Add’l Occupant (under 12)

(50% of each portion) $86 $39.50

If family consists of employee, spouse or domestic partner, one child 15 and one child 10, maximum up to the lodging limit would be $516 per day. Flat rate for family per day would be $237. Tax on lodging is reimbursed separately. (Eff. 04/09/2023 TL:SR 1070)

b. Total Actual Subsistence Method. Agencies may also allow only reimbursement for documented costs based on the maximum per diem (no breakdown between commercial lodging and meal and incidental expense portions for this type of calculation) according to the formula below. Receipts are required for commercial lodging and a certified statement (without receipts unless required by agency) is required for daily restaurant meals including tips, groceries, laundry and dry cleaning. Lodging tax may be reimbursed separately. No reimbursement is allowed for non-commercial lodging other than for daily restaurant meals including tips, groceries, laundry and dry cleaning. (See Section 960 FTA Worksheet) (Eff. 04/09/2023 TL:SR 1070)

For the initial occupant, whether employee or family member age 12 or over, a daily amount not in excess of the published maximum per diem rate for the locality from which transferred.

For each additional occupant, whether employee or family member age 12 or over, a daily amount not in excess of 75% of the published per diem rate for the locality from which transferred.

For each family member occupant under age 12, a daily amount not in excess of 50% of the published per diem rate for the locality from which transferred.

Example of the Total Actual Subsistence Method: If per diem for U.S. post of assignment is $251 (no breakdown between Lodging and M&IE for this calculation), maximum allowances for employee and each family member are as follow:

Maximum rate based on U.S. post of assignment rate

Initial occupant (Empl. or Fam. Member 12 & over)

(100% of per diem) $251

Each Add’l occupant (12 and over)

(75% of per diem) $188.25

Each Add’l occupant (under 12)

(50% of per diem) $125.50

If family consists of employee, spouse or domestic partner, one child 15 and one child 10, reimbursement will be totally on actual documented expenses up to a maximum of $753 per day. Tax on lodging is reimbursed separately. (Eff. 04/09/2023 TL:SR 1070)

c. Unless the agency restricts days to within proximity of the U.S. post of assignment, the ten days may be anywhere in the U.S. (calculated using the per diem rate of the U.S. post of assignment) as long as employee or family members have not begun travel on orders and final departure is from the U.S. post of assignment. If in an agency’s judgment unusual circumstances cause an employee or family member to be unable to travel to the foreign post of assignment within the ten-day limit, the agency may permit additional days beyond the ten allowed. (One example of a reason to approve beyond the ten days may be if the employee applied for a passport/visa in a timely manner and still did not receive documents in time to proceed to the foreign area.) (Eff. 04/09/2023 TL:SR 1070)

The following agencies have established per diem rates

(Eff. 04/09/2023 TL:SR 1070):

1. Conterminous/Continental United States (CONUS) (48 contiguous states and the District of Columbia): General Services Administration. Internet site: <http://www.gsa.gov/perdiem>

2. Non-foreign areas outside CONUS (OCONUS)(Alaska, Hawaii, Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands and territories and possessions of the United States): Department of Defense (DoD).Internet site: <http://www.defensetravel.dod.mil/site/perdiem.cfm>. DoD publishes these non-foreign OCONUS rates in the Civilian Personnel Per Diem Bulletins which are available on the above DoD website

3. Foreign Areas: Department of State. Office of Allowances’ [internet site](https://aoprals.state.gov/Web920/per_diem.asp). DSSR Section 925. <https://aoprals.state.gov/>

242.4 Lease Penalty Expense Portion (Eff. 7/9/06 TL:SR 666)

This portion is to help offset the expense of a residence quarters lease penalty unavoidably incurred by an employee. The amount of reimbursement shall not exceed the amount required by the specific terms of a rental contract signed by the employee as a prior condition of obtaining the lease, or the equivalent of three months’ rent, whichever is less.

Amounts as indicated above may be reimbursed only after an appropriate authorizing official of the employing agency certifies in writing that:

a. the employee's transfer to a foreign post of assignment was due solely to actions by the employing agency and to unusual conditions fully beyond the control of the employee; and

b. the termination of the lease and departure of the employee did not result from any specific actions by the employee to seek a curtailment of the assignment for transfer or promotion; and

c. the employee was not negligent in promptly notifying the landlord of the intent to terminate the lease after receiving an official notice of transfer; and

d. all reasonable steps were taken by the employee to dispose of the residence quarters by sublease or assignment to others; and

e. both the employee and employing agency made reasonable efforts to avoid the full lease penalty by delaying the employee's transfer to a foreign post of assignment.

Note: The above statements “a” through “e” are included on Section 960 Foreign Transfer Allowance Worksheet.

\*242.5 Pet Shipment and Required Quarantine Expense Portion (Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

This portion is to help offset the expenses of shipping a family pet or pets to a foreign post of assignment and required quarantine. Allowable expenses may be reimbursed up to a total of $4,000 and may include: pet transport costs and other expenses such as pet shipper fees, ground transport to/from airports, quarantine fees, required immunizations, blood tests and certifications.

242.6 Payment (Eff. 04/09/2023 TL:SR 1070)

A foreign transfer allowance granted under these regulations may be paid as a single payment at any time following the employee's arrival at post. Should the employee arrive at the post in advance of the family, they may be paid the miscellaneous expense portion, the wardrobe expense portion, if applicable, and the subsistence expense portion, if applicable, provided for an employee without family. The employee may, upon the arrival of their family, be paid the difference between the amount already paid and the allowance to which they are eligible by reason of family status.

\*242.7 Prohibitions (Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

a. Regardless of other provisions in Section 240, an employee who is transferred from one post to another post for briefing, orientation, consultation, or other similar purpose, to be followed by further transfer to a third post, may, upon arrival at the third post, be granted the allowance prescribed for a transfer between the first post and the third post only. (Eff. 04/09/2023 TL:SR 1070)

\*b. Employees eligible under their agencies' regulations for a miscellaneous expenses allowance authorized by 5 U.S.C. 5724a(f) (under the Federal Travel Regulation 302-16 which includes pet shipment) are not eligible for either a miscellaneous expense portion or the pet shipment and required quarantine expense portion of the foreign transfer allowance as authorized by these regulations. NOTE: Per FTR 302-6.17 agency employees transferring from the U.S. to a foreign area are eligible for the DSSR predeparture subsistence expense portion and not the FTR Temporary Quarters Subsistence Expense (TQSE). (Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

242.8 Transfer Allowance Payable to an Employee Whose Family is on Separate Maintenance Allowance (Eff. 04/09/2023 TL:SR 1070)

Where an employee arrives at a new foreign post, having been granted separate maintenance allowance on behalf of one or more family members, or arrives at the next subsequent post after termination of separate maintenance, the employee may be paid the applicable Foreign Transfer Allowance on behalf of self and/or family as shown below:

a. for the miscellaneous expense portion:

(1) at the "employee-with-family" rate when one or more family members move to the foreign post incident to the employee's official travel orders;

(2) at the "employee-without-family" rate when no family members move to the foreign post incident to the employee's official travel orders;

b. for the wardrobe expense portion: (Eff. 04/09/2023 TL:SR 1070)

(1) the "employee-without-family" rate if the employee alone changes one or two zones and family members do not change zones;

(2) the "employee-without-family" rate if the employee does not change zones and only one family member changes one or two zones;

(3) the "employee-with-family" rate for two zones if the employee changes one or two zones and the family member(s) change two zones;

(4) the "employee-with-family” rate for one zone if the employee changes one zone and the family member(s) change one zone;

(5) the "employee-with-family” rate for two zones if the employee changes two zones and the family member(s) change one zone.

(6) the “employee-with-family” rate for two zones if the employee changes two zones and the family member(s) change two zones.

c. for the predeparture subsistence expense portion (only applicable when the employee was transferred from a post in the U.S.):

(1) at the "initial occupant" rate if the family remains in the U.S.;

(2) at the applicable "family" rate if the family moves to a location outside the U.S., having incurred subsistence expenses in the U.S. in the process (applicable only when a foreign area has been officially designated for Involuntary SMA).

\*242.9 Special Rules - Married Couple Employee or Domestic Partnership Employee (Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

The miscellaneous expense portion "with family" rate may be granted to either eligible married couple employee or domestic partnership employee (both civilian employees of the U.S. Government) or each may be granted the employee "without family" rate. If there are additional members of family, one employee may be granted the "with family" rate and the other the "without family" rate. However, for grants above the non-receipt amounts, the same expenditures may not be claimed by both employees.

For the wardrobe expense portion, (if applicable), the "employee with family" may be granted to either employee where one or more members of family exist, as appropriate. In this instance, neither employee is a "member of family" (Section 040m). The employee, not granted a family rate, may be granted the "employee without family" rate. (Eff. 04/09/2023 TL:SR 1070)

For the predeparture subsistence expense portion, each employee may be granted the "initial occupant" rate. One of the employees may be granted applicable amounts for any additional family members (excluding spouse or domestic partner). Alternatively, the employees may agree to consider one spouse or domestic partner as a family member only.

For the lease penalty expense portion, only one of the employees at the same post may be reimbursed for an unavoidable lease penalty under section 242.4.

\*For the pet shipment and required quarantine expense portion, each employee is eligible for this portion, however, only one of the employees may be reimbursed for expenses claimed under DSSR 242.5 for the same pet for each travel leg. (Interim eff. 4/20/2023 Final Form 05/21/2023 TL:SR 1073)

243 Advance of Funds for Foreign Transfer Allowance

\*An advance of funds may be made for the foreign transfer allowance through the authorized disbursing officer. When applicable the amount of such advance shall not exceed the maximum rate of the wardrobe expense portion; the non-receipt amounts of the miscellaneous expense portion; the amount of unavoidable residence quarters lease penalty authorized; the maximum rate of the predeparture subsistence expense portion; and the maximum rate of the pet shipment and required quarantine expense portion of the foreign transfer allowance authorized in accordance with Section 242.

(Interim Eff. 04/20/2023 Final Form 05/21/2023 TL:SR 1073)

244 Condition Requiring Refund

An advance of funds not subsequently covered by a grant of the foreign transfer allowance shall be refunded by the employee to the agency.

245 Employees Assigned to a Post Which is Under Ordered/Authorized Departure Order (Eff. 04/09/2023 TL:SR 1070)

Unless otherwise directed by the head of agency, employees or family members unable to proceed to a post due to ordered or authorized departure status of the post qualify for benefits equivalent to those provided by DSSR Chapter 600 when the following criteria are met:

(1) transfer orders have been issued, and

(2) one of the following applies:

(a) HHE have been packed out and residence quarters have been vacated; or

(b) employee transferring from a post in the U.S. has an irrevocable contractual agreement for lease or sale of residence quarters; or

(c) employee transferring from a foreign post with direct transfer orders (i.e. no home leave, or equivalent, prior to reporting to new foreign post) is required by post to vacate residence quarters, and

(3) on the date of the ordered/authorized departure order the employee is within 60 days of scheduled departure directly to the new post of assignment.

245.1 Limitations (Eff. 04/09/2023 TL:SR 1070)

Limitations of benefits provided in DSSR Chapter 600 also apply.

245.2 Processing Claims

Each agency may establish procedures for processing claims and payments without respect to requirements elsewhere to use SF-1190.