



# **Employee Guide**

# **Overseas Benefits and Allowances**

***Civilian Human Resources Agency – Europe  
Revised: 09 March 2016***

**Summary of Overseas Benefits and Allowances**

## **Authorities:**

Overseas Differentials and Allowances Act, Public Law 86-707, 74 Stat. 793, 794 (06 September 1960), as amended and codified at 5 U.S.C. paragraph 5922-5924

The Department of State Standardized Regulations (DSSR) govern allowances and benefits available to U.S. Government civilians assigned to foreign areas.

[https://aoprals.state.gov/content.asp?content\\_id=231&menu\\_id=92](https://aoprals.state.gov/content.asp?content_id=231&menu_id=92)

DoDI Number 1400.25, Volume 1250, DoD, Overseas Allowances and Differentials implements Department of Defense (DoD) policy, delegates authority, assigns responsibilities, and authorizes the payment of allowances and differentials to DoD appropriated fund civilian employees who are U.S. citizens living in foreign areas.

<http://www.dtic.mil/whs/directives/corres/pdf/1400.25-V1250.pdf>

Army in Europe Regulation 690-500.592, Civilian Personnel Living Quarters Allowance, prescribes policy for authorizing Living Quarters Allowance (LQA) to appropriated fund civilian employees of the US Army in Europe.

[https://aepubs.army.mil/pdfpubs/AER690-500.592\\_996875.pdf](https://aepubs.army.mil/pdfpubs/AER690-500.592_996875.pdf)

## **Foreign Transfer Allowance (FTA):**

The purpose of the FTA is to help defray an employee's extraordinary but necessary and reasonable costs when he/she transfers to a post in a foreign area.

- (1) The **Miscellaneous Expense Portion** is to help cover "miscellaneous" expenses incident to a foreign assignment such as pet transportation; vehicle registration; driver's license; utility fees or deposits not offset by an eventual refund; and conversion of appliances. The flat amount for an employee without family is the lesser of either one-week's salary or \$650. For an employee with family it is the lesser of two weeks' salary or \$1,300. A higher rate is available by providing itemized receipts up to 1 week's salary (without family) or 2 weeks' salary (with family) not to exceed the salary of a GS-13, step 10. For a **new** Government employee the claim is submitted on SF-1190 to CHRA-E, OED, attach copy of orders (First duty station) and receipts (if itemizing). Claims for current government employees must be submitted via Travel-Voucher 1351-2 and submitted (along with receipts, if itemizing) to DFAS, as per instruction on travel orders, block 27.

SF-1190 click on <https://wu.acpol.army.mil/eur/overseas/inprocessing/sf1190.htm>

CHRA-E, OED email box: [usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil](mailto:usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil)

For further information or a listing of reimbursable items click on

[https://aoprals.state.gov/content.asp?content\\_id=247&menu\\_id=81](https://aoprals.state.gov/content.asp?content_id=247&menu_id=81)

- (2) The **Predeparture Subsistence Expense Portion** is granted to assist employees with the costs of temporary lodging, meals, laundry, and dry cleaning that are incurred when an employee transfers to a foreign post from a post in the U.S. This allowance may be granted for up to 10 days before final departure from a post in the U.S., beginning not more than 30 days after the employee has vacated permanent residence quarters. The 10 days may be taken anywhere in the U.S. as long as the employee or family members have not begun travel on orders and the final departure is from the U.S. post of assignment. Claim is submitted on SF-1190 to CHRA-E, OED, attach PCS orders and (amendments, if issued), FTA worksheet (DSSR 240), hotel receipts.

SF-1190/FTA worksheet click on:

<https://wu.acpol.army.mil/eur/overseas/inprocessing/dssr240.htm>

CHRA-E, OED email box: [usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil](mailto:usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil)

For further information [https://aoprals.state.gov/content.asp?content\\_id=247&menu\\_id=81](https://aoprals.state.gov/content.asp?content_id=247&menu_id=81)

- (3) The **Lease Penalty Expense Portion** is to offset a residential (not car or cell phone) lease penalty unavoidable incurred by an employee when transferring to a foreign post. The amount of reimbursement is based on the terms of the rental contract or three months' rent, whichever is less. **Requirements are:** Transfer was due solely to actions by the employing agency and to unusual conditions fully beyond employee control; and 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 the employee was not negligent in promptly notifying the landlord of the intent to terminate the lease after receiving an official notice to transfer, and all reasonable steps were taken by the employee to dispose of the quarters by sublease or assignment to others, and both the employee and employing agency made reasonable efforts to avoid the full lease penalty by delaying the employee's transfer for the foreign post. Claim must be submitted on SF-1190 accompanied by former rental contract and documentation as identified under Requirements.

SF-1190 click on <https://wu.acpol.army.mil/eur/overseas/inprocessing/sf1190.htm>

CHRA-E, OED email box: [usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil](mailto:usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil)

### **Post Allowance:**

Commonly referred to as the "cost-of-living/COLA" allowance, is paid to compensate in part for the higher price of many goods and services in overseas areas. It is based on the employee's salary, work schedule, number of family members, and duty station. The amount paid is a flat rate varying only by basic salary, size of family, and location of the assigned post. The daily rate is derived by dividing the annual amount by the number of days in a calendar year, then multiplying the daily rate by the number of days involved to obtain the biweekly amount. It is paid for all applicable days in a pay period. Post allowance is not authorized at the same time an employee is receiving TQSA. Post allowance is included in the computation of lump-sum leave payments upon separation from Federal service if separated in the foreign area. A change in exchange rates may raise or lower the Post Allowance. Post Allowance is not taxable. If a family member is step or foster child, a copy of the court order is required; if a family member is over 21 years of age, medical or financial documentation is required.

**Employee is responsible to report changes that might have an impact on the allowable rate such as:** Reducing family size when a family member capable of self-support reaches age 21, when a child on educational travel leaves the post for a period in excess of 30 days or when the child returns to the post for a period in excess of 14 days; when leave orders are issued the grant will be terminated when travel commences or revised to the lower family size if family members remain and employee travels alone. For LQA recipients a SF-1190 must be completed and forwarded to CHRA-E, OED.

SF-1190 click on <https://wu.acpol.army.mil/eur/overseas/inprocessing/sf1190.htm>

CHRA-E, OED email box: [usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil](mailto:usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil)

### **Separate Maintenance Allowance (SMA):**

SMA is designed to help an employee who is compelled by reasons of dangerous, notably unhealthy or excessively adverse living conditions at the foreign post of assignment, or for convenience of the Government, or because of family considerations to defray the additional expense of maintaining family members at another location.

**Involuntary SMA** is paid when family members are prohibited from residing at the foreign post. Children are eligible for Involuntary SMA until they reach 21 years of age. Claims submitted must be on an SF-1190, and a marriage certificate/same-sex domestic partner form and/or birth certificate(s) must be provided along with a memorandum requesting ISMA. For IMCOM/OPM SANG employees ISMA is approved by their HQ. Request for all other commands must be forwarded through CHRA-E, OED to HQ, CPD, G-1 for approval.

**Voluntary SMA** is paid when family members may go to a foreign post but opt not to for personal reasons. Children lose eligibility for voluntary SMA when they turn 18, unless they are still in secondary school (e.g., high school). Voluntary SMA will only be granted for a short term transitional situation based on school attendance of the employee's child at the time of the employee's transfer. These requests may be approved for the completion of the semester. If the child is a high-school senior, SMA will be approved for the entire school-year. In this situation, children must be under the age of 18 or incapable of self-support, unless they are attending secondary school. Attending school documentation must show anticipated graduation. Periods based on medical conditions of a family member must include complete documentation of the family member's medical condition. Copy of orders must show family member as delayed travel. Claims submitted must be on a SF-1190 with supporting documentation, including command endorsement by organization. For IMCOM/OPM SANG employees ISMA is approved by their HQ. Requests for all other commands must be forwarded through CHRA-E, OED to HQ, CPD, G-1 for approval.

SF-1190 click on <https://wu.acpol.army.mil/eur/overseas/inprocessing/sf1190.htm>

CHRA-E, OED email box: [usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil](mailto:usarmy.rheinland-pfalz.chra-eu.mbx.lqa@mail.mil)

**Educational Travel:**

This allowance permits one round trip annually between a school attended and the foreign post of assignment. This benefit is primarily intended to reunite a full-time post-secondary student attending college (including the post baccalaureate level), technical or vocational school with the employee/parent serving the U.S. government in the foreign area. However, educational travel may be paid for a child in secondary school (grades 9 – 12).

Educational travel can commence from either the school or the post, but only one roundtrip between school and post is allowed annually. The educational travel benefit ceases once the student dependent reaches the age of 23, except for in limited cases when the child's education is delayed by military service. Requests must be submitted to the local CPAC.

Special circumstances: Child is enrolled in a U.S college and wishes to travel between post and a school in a foreign area for his junior year abroad program. Will the educational travel allowance pay?

A: Yes. The law was changed and subsequently the DSSR (effective July 22, 2007) to allow payment of a child's travel expenses between school and the employee's foreign post of assignment once each way annually for secondary or post-secondary education. Educational travel may now be from a school in or outside the United States and may also be at the post-baccalaureate level as long as the child is under 23 (for military service exception, see DSSR 284) and the child resides with the employee at post (unless post is unaccompanied).

For more information click on: [https://aoprals.state.gov/content.asp?content\\_id=250&menu\\_id=78](https://aoprals.state.gov/content.asp?content_id=250&menu_id=78)

**Advance of Pay:**

Up to three months' salary (6 pay periods) may be advanced when an employee is assigned to a foreign post. The advance must be paid back over a maximum of 26 pay periods. New Hire employees and/or employees not already serviced by DFAS can only request an advance of salary upon arrival at the duty station. For more information or information on how to request an Advance of pay or Advance of Pay Calculator click on:

[https://wu.acpol.army.mil/eur/overseas/inprocessing/How\\_to\\_Request\\_Advance\\_of\\_Pay.doc](https://wu.acpol.army.mil/eur/overseas/inprocessing/How_to_Request_Advance_of_Pay.doc)

**Temporary Quarters Subsistence Allowance (TQSA):**

The purpose of TQSA is to assist with temporary lodging, meals, laundry and dry cleaning in a foreign area when an employee first arrives at a new post and permanent quarters are not yet available, or when an employee is getting ready to depart the foreign post permanently and must vacate residential quarters.

**Note:** Specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons. Only actual subsistence expenses incurred, which are reasonable in amount and incident to the occupancy of temporary quarters, shall be reimbursed. They are not intended to reimburse an employee's costs for extravagant meals. Temporary lodging must be at the post of assignment. (Example: If duty location is Kaiserslautern, temporary lodging cannot be in Wiesbaden)

An employee cannot receive the post (cost-of-living) allowance when receiving the TQSA. An employee may receive TQSA and LQA at the same time when departing post only with agency permission for unusual circumstances described at DSSR 124.1 and DSSR 132.41a. For more information on how to request TQSA and on how to, perform a Reconciliation of TQSA/Request Overlap of TQSA/LQA click on:

[https://wu.acpol.army.mil/eur/overseas/inprocessing/How\\_to\\_Request\\_Advance\\_of\\_TQSA.doc](https://wu.acpol.army.mil/eur/overseas/inprocessing/How_to_Request_Advance_of_TQSA.doc)

### **Living Quarters Allowance (LQA):**

This allowance is granted to an employee to help defray the annual cost of suitable, adequate living quarters for the employee and his/her family at a foreign post where government-leased or -owned housing is not provided. The LQA rates are designed to substantially cover the average employee's costs for rent, utilities, required taxes levied by the local government, and other allowable expenses. Living Quarters Allowance rates are categorized by "quarters group" based on the employee's grade level or rank and his/her family size and location. Additional amounts of up to 10%, 20%, or 30% above the LQA rates may be allowed for larger families. Reimbursement of expenses will not exceed the authorized annual cost of rent and utilities (Allowable expenditures only) or the maximum allowance rate set by the DSSR, WHICHEVER IS THE LESSER AMOUNT. DFAS will make payments to you in US Dollars, using the authorized foreign currency expenses and then converting the amount to US Dollars using an exchange rate provided by their office. Please be aware that the conversion rate as well as the Maximum rate, as per DSSR, fluctuates. Reconciliation is required for LQA recipients 12 – 15 months after move-in-date or earlier if there is a change of residence. This action is required to reconcile estimated versus actual cost.

For more information click on: [https://wu.acpol.army.mil/eur/overseas/OA\\_Info.htm](https://wu.acpol.army.mil/eur/overseas/OA_Info.htm)

### **Oil/Wood purchase:**

One time purchases for oil and wood are reimbursable in the year of purchase. No estimate will be credited in the following year until a bill/receipt for delivery and payment is provided.

For more information click on: [https://wu.acpol.army.mil/eur/overseas/lqa\\_reconciliation.htm](https://wu.acpol.army.mil/eur/overseas/lqa_reconciliation.htm)

DoD mandates the use of the Utility Tax Avoidance Program (UTAP) in an effort to secure effective tax relief from foreign taxes on residential consumption of electricity, gas and water in Germany. To be eligible for UTAP individuals must receive their utilities from a provider that has a contractual agreement with the Tax Relief Office (TRO). There is currently a charge of \$99.00 which is reimbursable ONLY through the miscellaneous expense allowance. Employees in Germany who are billed in their own name for these types of utilities are required to provide proof of application or non-availability statement from the Tax Relief office (TRO).

For more information click on: [https://wu.acpol.army.mil/eur/overseas/OA\\_Info.htm](https://wu.acpol.army.mil/eur/overseas/OA_Info.htm)

### **Furniture Rental:**

Only authorized as an exception and must be approved by the proponent of the Army in Europe Regulation.

Requests must be accompanied by a justification of the need for the separate rental of furniture; an inventory listing of items shipped under official government travel and transportation orders; and an endorsement by the employee's supervisory chain-of-command, not below the deputy or equivalent level.

### **IMPORTANT HINTS:**

Prior to signing a rental contract review the listing of **reimbursable expenditure** guidance. You might want to consider taking a copy with you to compare the reimbursable cost versus non-reimbursable costs BEFORE you sign the rental contract. Keep in mind that LQA might not cover your entire costs as is also explained in the DSSR.

What is considered a **reimbursable cost** is identified based on the type of dwelling occupied and or country of duty location. Click on [https://wu.acpol.army.mil/eur/overseas/Table\\_of\\_Allowable\\_Expenses.pdf](https://wu.acpol.army.mil/eur/overseas/Table_of_Allowable_Expenses.pdf)

The **rental contract** will specify expenditures payable to the landlord versus utility providers. If you are required to pay the landlord for utility expenditures be sure to review if these expenditures are actually reimbursable. In addition the rental contract will specify if these expenditures are required to be reconciled between you and the landlord or if they are identified to be “fixed” costs. Fixed costs are, if the landlord specifies in the rental contract that no end of year reconciliation will be provided to the tenant.

**Ensure the contract contains a military clause. This ensures you are able to leave with a minimum notice period to landlord.**

Initial submission to start LQA:

Upon initial submission you will specify the actual rental payments, as per rental contract, and either fixed and/or estimated utility costs (payable to landlord or utility providers). Please be aware if you claim estimated utility costs (payable to landlord) for non-reimbursable expenditures (see Reimbursable cost guidance) you will or might have a debt to the government once reconciliation is processed. Non-reimbursable costs will not be creditable during the reconciliation process. If your estimated costs of reimbursable utilities are actually higher than the actual costs as identified on the year end bill provided either by the utility provider or if paid to the landlord is higher than the actual costs you will or might have a debt. It is important to estimate modest. Don't claim estimated amounts for utilities payable to the landlord if some of these costs include non-reimbursable items, reduce the amount to only cover reimbursable costs.

**EXAMPLE:** Rental agreement for single dwelling specified 100.00 € per month payable to landlord for Insurance, water and garbage. Costs are reconciled between landlord and tenant at the end of the year, as per rental contract. Reconciliation provided by landlord specifies the following:

Insurance 400 € per annum; water 600 € per annum; Garbage 100 € per annum = Total cost per annum 1100 €. If you claimed 100.00 € per months = 1200 € per annum, you would have been overpaid during the reconciliation process. Why? Creditable reimbursable cost for utilities payable to landlord consisted of 600 € for water + 100 € for garbage = Annual reimbursable expenditure 700 €; yet 1200 € were initially claimed as estimated cost. The Insurance initially claimed is a non-reimbursable cost.