

## Relocation Allowances

## § 302-15.70

choosing to sell your residence at Government expense or to use the property management services allowance.

### **§ 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?**

No. The authority for your agency to pay for property management services under this part when you are transferred to a foreign post of duty arises from your transfer to the foreign post of duty and is separate from, and in addition to, the authority to sell your residence at Government expense when you are transferred to an official station in the United States other than the official station from which you were transferred to the foreign post of duty.

### **§ 302-15.10 How long may my agency pay under this part?**

Your agency may pay:

(a) For transfers within the United States, a period not to exceed 2 years from your effective date of transfer, with up to a 1-year extension, under the same conditions required in § 302-6.1(e)(2) of this chapter; or

(b) From the time you transfer to a foreign post of duty until one of the following occurs:

(1) You transfer back to an official station in the United States;

(2) You complete a service agreement at your post of duty and remain there, but do not sign a new service agreement; or

(3) You separate from Government service.

### **§ 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?**

Yes, provided:

(a) Your agency allows you to change your election of payment for property management expenses to an election of sale of your residence at Government expense; and

(b) Payment for sale of your residence at Government expense is offset in accordance with your agency's policy established under § 302-15.70(d).

### **§ 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?**

You must sign a new service agreement. (See § 302-1.5 of this chapter.)

### **§ 302-15.13 What are the income tax consequences when my agency pays for my property management services?**

You will be taxed on the amount of expenses your agency pays for property management services whether it reimburses you directly or whether it pays a relocation services company to manage your residence. Your agency must pay you a relocation income tax (RIT) allowance for the additional Federal, State and local income taxes you incur on property management expenses it reimburses you or pays on your behalf. You may wish to consult with a tax advisor to determine whether you will incur any additional tax liability, unrelated to your agency's payment of your property management expenses, as a result of maintaining your residence as a rental property.

## **Subpart B—Agency Responsibilities**

NOTE TO SUBPART B: Use of the pronouns "we" and "you" throughout this subpart refers to the agency.

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

You must establish policies and procedures governing:

(a) When you will authorize payment for property management services for an employee who transfers in the interest of the Government;

(b) Who will determine, for relocations to official stations in the United States, whether payment for property management services is more advantageous and cost effective than sale of