

§ 302-15.5

§ 302-15.5 Is my agency required to authorize payment for property management services?

No, your agency is not required to authorize payment for property management services. However, your agency determines:

- (a) When you meet the conditions set forth in § 302-15.3;
- (b) When to authorize payment for these services; and
- (c) What procedures you must follow when it authorizes such payment.

§ 302-15.6 Under what circumstances may my agency authorize payment under this part?

(a) For a relocation to an official station in the United States, your agency may authorize payment under this part when:

- (1) You are being returned from a foreign area post of duty to a different official station than the one from which you were transferred for your foreign tour of duty;
 - (2) Your agency has determined that property management services is more advantageous and cost effective for the Government than having to sell your residence;
 - (3) You have signed a service agreements; and
 - (4) You meet any additional conditions that your agency has established.
- (b) For relocations to official stations outside the United States, your agency will authorize payment under this part when you meet conditions set forth in paragraphs (a)(3) and (4) of this section.

§ 302-15.7 For what property may my agency authorize payment under this part?

Under this part, payment may be authorized only for your residence at the last official station in the United States from which you transferred.

§ 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?

You are not obligated to use your authorized property management services allowance. You have the option of choosing to sell your residence at Gov-

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ernment 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, you are not required to repay any property management expenses paid by your agency if you elect to sell your former residence in the United States when transferred from your post of duty to an official station in the United States. 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. It 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 for a period not to exceed 2 years from your effective date of transfer, with up to a 2-year extension, under the same conditions required in § 302-11.21 of this chapter; or
- (b) From the time you transfer to a foreign area post of duty until you:
 - (1) Transfer back to an official station in the United States; or
 - (2) Complete a service agreement at your post of duty and remain there, but do not sign a new service agreement; or
 - (3) 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, you may change your selection from receiving property management expenses to selling your residence at Government expense provided:

Relocation Allowances

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(a) Your agency allows you to change your election of payment from property management expenses to the 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 § 302-2.13 of this chapter) to continue to this benefit.

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

When your agency pays for your 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 service 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.

NOTE TO § 302-15.13: 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 pronouns “we”, “you”, and their variants 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 an employee's residence at Government expense;

(c) If and when you will allow an employee who was offered and accepted payment for property management services to change his/her mind and elect instead to sell his/her residence at Government expense in accordance with paragraph (d) of this section; and

(d) How you will offset expenses you have paid for property management services against payable expenses for sale of the employee's residence when an eligible employee who elected payment for property management services later changes his/her mind and elects instead to sell his/her residence at Government expense.