Relocation Lump Sum Test Program
Frequently Asked Questions

1. **What is the Lump Sum Relocation Test Program?**
   The USDA Lump Sum Relocation Test is a four-year program that provides eligible employees with **one upfront relocation payment**, followed, where applicable, by a subsequent payment(s) for residence transactions. This approach significantly decreases the number of individual reimbursement transactions, improves predictability, reduces administrative workload, and simplifies the relocation experience.

2. **Is participation voluntary?**
   Participation in the Lump Sum Relocation Test Program is voluntary for most employees. However, mission area, agency, and staff office leadership may require mandatory participation for employees affected by a USDA reorganization.

3. **Who is eligible to participate in the Lump Sum Program?**
   All must apply:
   a. Employees who are permanent or transferee staff accepting a directed reassignment
   b. Employees whose move is determined to be in the Government's best interest
   c. Employees who meet the FTR distance test (§ 302-2.1(f))
   d. Employees who sign a 12-month service agreement

4. **How does the Lump Sum Program differ from Traditional Relocation?**
   Lump Sum:
   a. Provides standardized, estimated payments
   b. Requires supporting documentation for residence transactions only
   c. Reduces number of voucher submissions
   d. Provides payment for most expenses prior to moving.

   Traditional:
   a. Reimburses actual expenses with receipts
   b. Requires multiple vouchers
   c. Requires a Relocation Income Tax allowance (RITA) claim and voucher
   d. Expenses are reimbursed after being incurred by employees.

5. **Once a relocation letter is received, how much time will be given to report to the new duty location? Will I receive admin leave to complete tasks in support of my relocation?**
   The mission area, agency, or staff office will determine the date the employee must report for duty at the new location. Please review your agency policy and consult with your supervisor regarding the use of admin leave.

6. **How is the Lump Sum Calculated?**
   The lump sum uses standardized, data driven estimates based on:
   a. New Duty Location

b. Number of dependents
c. Number of bedrooms in current residence
d. Relocation distance
e. USDA's historical Household Goods (HHG) cost averages
f. USDA's historical Storage in Transit (SIT) cost averages
g. Rental vacancy rate at the new location
h. Property tax assessment
i. Median home price
j. Fair market rent
k. Flat tax rates (24% Federal, 5% State where applicable)

NOTE: The Department's Office of the Chief Financial Officer will publish baseline data

7. What relocation benefits are included in the Lump Sum?

Benefits may include:

a. En Route Travel (transportation and per diem)
    - Paid using estimated transportation expenses and standard CONUS per diem
    - No lodging receipts required
    - Calculations remain the same regardless of whether an employee and their spouse travel at different times.

b. Temporary Quarters Subsistence Expense (TQSE)
    - Included only if the new duty location has a **rental vacancy rate under 5%**
    - Spouse treated as "Accompanied"
    - Paid at the maximum 60-day TQSE-Lodging Plus rate (no receipts required)

c. Household Goods Storage in Transit (SIT)
    - Included only when TQSE is authorized
    - Estimated using USDA's three-year average cost for 60-days of SIT and scaled by number of bedrooms

d. Miscellaneous Expense Allowance (MEA)
    - $905 (no dependents)
    - $1,810 (with dependents)

e. Residence sale/purchase or lease termination reimbursement
    - **Home Sale:** 8% of prior year property tax assessment value
    - **Home Purchase:** 3% of median home price at the new duty location
    - **Lease Break:** 80% of two months' fair market- rent

    Note: Supporting documentation is required for these transactions.

f. Household Goods (HHG) Shipment
    - Estimated using USDA's three-year average cost data
    - Scaled by number of bedrooms and relocation distance
    - Employees may self-move or hire movers
    - No receipts required

g. Tax Allowance

    The lump sum includes a 24% federal tax allowance, as well as an additional 5% for state taxes (not applicable for States without income tax)

8. **What are the household goods (HHG) limits?**
   HHG shipment is estimated using USDA's 3-year historical average costs, then adjusted based on number of bedrooms and relocation distance. Employees may either do a self-move or hire a moving company. No receipts are required. Weight limits do not apply.

9. **Are rental cars covered?**
   No. Rental cars are not covered under this program.

10. **How long does an employee have to complete all aspects of the relocation to include the residence transactions?**
    All relocation activities, to include the sale and/or purchase of a residence, must be completed within **12 months** of the report date to the new duty station. An extension is not allowable.

11. **Is there a service agreement?**
    Yes. Employees must sign a 12-month service agreement.

12. **What if I cannot complete the 12-month service agreement?**
    The authorizing official will determine whether repayment is required for any funds expended in connection with the relocation, considering whether circumstances were outside the employee's control.

13. **How long can household goods remain in temporary storage?**
    HHG Storage in Transit (SIT) will only be included in the lump sum amount if TQSE payment is authorized. The HHG SIT is based on pre-move estimates, assuming a 60-day period**.** It is calculated using the USDA 3-year average. No extensions or additional amounts will be granted.

14. **Is the Lump Sum Payment(s) Taxable?**
    Yes. The applicable Federal and State taxes will be withheld from the payment(s). The calculation does include a 24% federal tax allowance, as well as an additional 5% for state taxes (not applicable for States without income tax) which is also taxable.

15. **What documentation is required?**
    Employees only need to provide documentation for:
    a. Home sale
    b. Home purchase
    c. Lease break costs

    Note: No other receipts or supporting documentation is required.

16. What are the benefits of the Lump Sum program for employees?

a. One-time payment simplifies planning
b. Significantly fewer supporting documentation/receipt requirements and vouchers
c. Reduces administrative delays
d. Predictable, consistent treatment across USDA
e. Allows employees more flexibility in how they manage their moves

17. Which system will process the Lump Sum Relocation?

The current USDA relocation system moveLINQ will be used to process lump sum relocation actions.

18. What happens if the lump sum does not cover my actual expense?

The lump sum payment is intended to give employees flexibility in managing their relocation. If the actual relocation expenses exceed the lump-sum amount, the employee is responsible for covering any additional costs. The agency does not provide supplemental reimbursement under the lump-sum option.

19. What if the lump sum doesn't cover all my taxes?

Additional tax reimbursement for lump-sum payments is not covered.

20. Are any other entitlements offered separately?

No. Under the lump-sum relocation option, the lump-sum payment replaces the traditional relocation entitlements.

21. Can I use the reimbursement for a house hunting trip?

Yes. The lump sum payment may be used at the employee's discretion for any relocation- related expenses, including a house- hunting- trip. However, under this program additional reimbursement is not provided if the lump sum payment does not fully cover those costs and there is no specific allowance provided for house hunting.

22. Do I need to return any excess funds?

Only in the event of an error. Under the lump-sum relocation program, the payment is calculated based on information provided by the employee and is intended to cover the anticipated expenses associated with the relocation.

23. Can I use my government travel card (GTCC) for any relocation related expenses?

No, employees are not allowed to use their GTCC for relocation-related expenses under the lump sum program. The lump sum program provides funds in advance of travel; therefore, the employee should expect to use other funding sources.