Lump Sum vs Traditional Relocation Allowances

En Route Travel	En route transportation costs are calculated using estimated transportation expenses per the FTR § 302-4. No receipts will be required. Employees are paid using the per diem standard CONUS rate.	En route transportation costs are calculated using estimated transportation expenses per the FTR § 302-4. Lodging receipts are required, and the employee is reimbursed for the actual cost of lodging up to the standard CONUS rate.
Miscellaneous Moving Expenses	Fixed at $905 for single employees and $1,810 for employees with dependents.	A lump sum amount set at $905 for single employees and $1,810 for employees without support or documentation of expenses. or An amount in excess of the lump sum amount if authorized by an agency and supported by acceptable statements of fact, paid bills or other acceptable evidence (documentation) justifying the amounts claimed do not exceed the employee's basic gross pay of one week if the employee is relocating without immediate family, or two weeks if the employee is relocating with immediate family.
Household Goods (HHG) Shipment	Estimated using USDA's three-year historical average costs and scaled by number of bedrooms and relocation distance. Employees can elect to do a self-move or hire movers; no receipts will be required.	There are two authorized methods of transporting and paying for the movement of HHG. Agencies determine which of the following methods will be authorized. Employees do not have to use the method selected by their agency for transportation of their HHG; however, reimbursement is limited to the actual cost incurred, not to exceed what the Government would have incurred under the method selected by the agency. Commuted rate system. Under the commuted rate system, the employee assumes total responsibility for arranging and paying for all aspects of transporting the HHG. Please see the commuted rate table published by GSA at *https://www.gsa.gov/relocationpolicy* to determine how the charges for transporting HHG, and temporary storage are computed using the commuted rate method.

		Actual expense method. Under the actual expense method, the agency assumes the responsibility for arranging and paying for all aspects of transporting the HHG with a commercial HHG carrier.
Residence Transactions	*Sales* - Paid at 8% of the prior year assessed property tax value. Property settlement documents required. *Purchases* - Paid at 3% of the median home price at the new duty location. Property settlement documents required. *Lease Break* - Employees receive 80% of two months' fair market rent for a comparable unit. Documentation showing that a lease break cost was actually incurred is required to receive the payment.	*Sales* – Up to 10% percent of the actual sales price for the sale of a residence at the old official station for allowable expenses per the FTR. *Purchases* – 5% percent of the actual purchase price of the residence for the purchase of a residence at the new official station for allowable expenses per the FTR. *Lease Break* - To request reimbursement for settlement of an unexpired lease, employee must itemize expenses and submit to the agency.
Taxes	To eliminate tax reconciliation, the lump sum includes estimated tax impacts using a fixed Federal tax rate of 24% and a state tax rate of 5% (not applicable for States without income tax).	<u>*Withholding Tax Allowance (WTA)*</u> - Each time a covered, taxable relocation expense, regardless of whether it is a reimbursement, allowance, or direct payment to a vendor is paid, WTA is also paid at 28.2% which is the withholding rate on supplemental wage of 22% grossed-up. <u>*Relocation Income Tax Allowance (RITA)*</u> - The RITA is to reimburse employees for any taxes that they owe that were not adequately reimbursed by the WTA. The employee files a RITA claim in the year following the year the relocation voucher was paid. RITA is based on an employee's marginal tax rate, determined by their actual taxable income and filing status, which allows reimbursement to the employee for *substantially all* of their federal income taxes resulting from the relocation. The RITA also reimburses employees for any additional State and local taxes that were incurred as a result of

		the relocation, because they are not reimbursed in the WTA process.
Temporary Quarters Subsistence Expense (TQSE)	For housing-constrained markets (i.e., rental vacancy rate below 5%), a TQSE payment may be authorized. Maximum allowable amount for 60 days of TQSE using the TQSE – Lodging Plus (LP) method as described in FTR § 302-6.8(e). Spouse treated as accompanied for calculation. No receipts required.	Reimbursed up to 120 days using the TQSE-LP method. The agency may initially authorize a period not to exceed 60 consecutive days. The agency may authorize an extension of up to 60 additional consecutive days, for a maximum total of 120 consecutive days, if the agency determines that there is a compelling reason for continued occupancy of temporary quarters. Under no circumstances can more than 120 days of TQSE be reimbursed. Lodging receipts are required, and the employee is reimbursed for the actual cost of lodging up to the maximum allowable amount.
HHG SIT	If TQSE is authorized, estimated HHG SIT is also included. Estimated using USDA's three-year historical average costs and scaled by number of bedrooms.	The initial period of temporary storage at Government expense may not exceed 60 days. An extension may be granted for a maximum of 90 additional days. Requests for an extension must be made prior to the expiration of the original 60 days. This extension must be approved by the agency official designated for such requests. Under no circumstances may temporary storage at Government expense for CONUS-to-CONUS shipments exceed a total of 150 days.