

Frequently Asked Questions Regarding Relocation Expenses

(October 2007)

Background

This document supplements the Federal Travel Regulations and DOE M 552.1-1A, DOE Travel Manual, and is based on several Comptroller General and GSA Board of Contract Appeals decisions. It is intended for human resource staffs and travel coordinators.

General

1. **What are relocation expenses or allowances?** Relocation expenses are the costs associated with relocating an employee from one location to another, which is usually a DOE worksite. Depending on the type of relocation, i.e., a new hire, current employee within the US, international, etc., these expenses may include: roundtrip transportation for a house hunting trip (not to exceed 10 days) for an employee and/or spouse, transportation of the employee or employee and family to the new worksite, shipment of household goods (HHG), temporary storage of HHG, real estate expenses incurred in home sales and purchases, home marketing incentive, property management expenses in lieu of a home sale, shipment of a privately owned vehicle, temporary quarters subsistence, and use of a relocation services provider.

2. **Who is eligible for relocation expenses?** The following is a list of eligibles:
 - a. a new appointee traveling to a first official worksite (duty station) (see Q & A 6c);
 - b. an employee transferring in the interest of the Government from one worksite to another or from one agency to another for permanent duty in which the worksite is at least 50 miles from the former worksite;
 - c. an employee traveling to an overseas worksite either for the first time or upon renewal of an overseas assignment, or returning from an overseas assignment, including for separation from the Government;
 - d. a student trainee assigned to any position upon completion of college work;
 - e. an employee eligible for a "last move home" benefit upon separation from the Government, including a career appointee to the Senior Executive Service (SES) as defined in 5 U.S.C. 3132(a)(4), and a prior SES appointee, and the employee's immediate family in the event of the death of the employee; and
 - f. an employee on a permanent appointment assigned to a temporary worksite; i.e., a temporary change in worksite (TCS) of at least 6 months, but not more than 30 months.

Even though an employee may be eligible for relocation expenses, s/he is not necessarily entitled to the allowances.

- 3. What does it cost to relocate an employee?** The cost will vary depending upon the relocation expenses authorized, whether the selectee is a new hire or transfer, size of family, weight of HHG to be shipped, home sale, etc.

When Paid/Not Paid

- 4. When are relocation expenses to be paid?** Mandatory expenses are to be paid consistent with the Federal Travel Regulations at 41 CFR Chapter 302 when the relocation is in the interest of the Government (see Q and A 5). Discretionary expenses are optional, are determined by the Departmental element, and are to be treated consistently.
- 5. When is relocation in the interest of the Government?** DOE defines “in the interest of the Government” in Chapter 302 of DOE M 552.1-1A, DOE Travel Manual (see <http://www.directives.doe.gov/>) when:
- a. a relocation is involuntary, i.e., the organization is relocating or the employee is directed to relocate;
 - b. a relocation will facilitate a planned reorganization or restructuring activity within an organization; or
 - c. the vacancy announcement or equivalent notice specifies that relocation expenses will be paid or it does not specify whether they will be paid and
 - 1) the distance between the employee’s old official worksite and the new one is at least 50 miles, or
 - 2) the distance is less than 50 miles and the following conditions apply:
 - a) the position is listed in a local staffing plan as “hard to fill” or “shortage category,” i.e., the specific series and grade level of the position has been identified in a workforce or EEO plan because an adequate supply of candidates has not been, and is not expected to continue to be, available without the need to pay relocation expenses;
 - b) the relocation is involuntary; or
 - c) the relocation will facilitate a planned reorganization or restructuring activity within an organization.

Note: FTR 302-2.6 includes additional conditions for short distance moves that include either:

- a) the one way commuting pattern between the old and new official station increases by at least 10 miles, but no more than 50 miles;

- b) there is an increase in the commuting time to the new official station;
or
- c) a financial hardship is imposed due to increased commuting costs.

6. When should relocation expenses not be paid? They should not be paid when:

- a. a position is advertised that expenses will not be paid;
- b. a candidate initiates a request to relocate and there is no vacancy announcement or equivalent notice and/or a determination has not been made that expenses will be paid to fill the position (this is regarded as primarily in the interest of the candidate); or
- c. an organization determines that a new appointee will not be authorized allowances in accordance with FTR 302-3.2.

7. May relocation expenses be paid when:

- a. **a position is advertised that expenses will be paid and the selectee is at the same grade level (lateral) or will be downgraded?** Yes.
- b. **a position is advertised that expenses will be paid, but funds become restricted?** Yes (see 56 Comp.Gen. 509 (1977)); however, the organization should wait until funds are available to relocate the employee to avoid a problem with a claim. To facilitate the recruitment process, organizations should consider having the employee begin work in the current location as a flexiplace arrangement when the duties support the arrangement until s/he can be relocated. In the event that a flexiplace arrangement is used, the official worksite for pay and travel purposes will be wherever the selectee actually works, e.g., home.
- c. **when a position is advertised that expenses will be paid, the area of consideration is beyond the commuting area, however, the selectee is from the local commuting area and wants to relocate closer to the new worksite?** Yes, if the move is more than 50 miles between worksites, not residences, then expenses are to be paid. If the move is less than 50 miles, but at least 10 miles between worksites, then expenses are to be paid when the position is listed in a local staffing plan as a “hard-to-fill” or “shortage category” position, or the relocation will facilitate a planned reorganization or restructuring activity, otherwise, expenses are not to be paid. For reorganization and restructuring situations to be approved, written notice must have been given to employees.

- d. **a position is advertised “commuting area only” and “expenses will not be paid” because of an expected adequate supply of candidates in the area, but the top candidate is a lateral from outside the commuting area?** No, the position would have to be re-advertised stating that either “expenses will be paid” or “expenses may be paid consistent with the Department’s policy and guidance” to give all interested candidates the opportunity to apply (see Q and A 11a and b below).
 - e. **a position is advertised nationwide that relocation expenses will not be paid?** No.
 - f. **a position has not been advertised and a likely candidate has been identified who is from outside the commuting area?** It depends; if there is a precedent for paying expenses for similar positions, the position is identified in a local staffing plan as a “hard-to-fill” or “shortage category” position which would make it eligible, or management has already determined that expenses should be paid, including relocating employees who would otherwise be displaced as a result of a closure activity or reorganization, then expenses are to be paid. If none of these situations has occurred, then the situation is regarded as primarily in the interest of the candidate and expenses are not to be paid.
 - g. **the selectee will be appointed on a temporary or time-limited appointment?** No, only temporary changes in worksites of at least 6 months, but not more than 30 months, for permanent appointees are eligible for relocation expenses.
8. **Can expenses be negotiated with selectees in an effort to limit costs?** Once it is determined that relocation expenses will be paid, mandatory and applicable discretionary expenses are to be paid. If funds are limited or restricted, the timing of the relocation may need to be discussed (see Q and A 7b above).
9. **When may an employee incur costs for relocating?** A travel authorization must be in place and a service agreement must be signed by the employee prior to incurring relocation expenses (see Q and A 14 regarding service agreements).

Vacancy Announcements

10. **Should an announcement contain a statement regarding relocation expenses?** Yes, the Department’s vacancy announcements are to provide a statement regarding the payment of relocation expenses will or will not be paid to ensure that there is no misunderstanding on the part of interested parties. (Note: When a statement is not on an announcement and the relocation is in the interest of the Government (see Q & A 5), expenses must be paid (see GSBICA 15286-RELO, dated August 15, 2000, and all referenced cases in that decision).

11. What statements are to be used on vacancy announcements? The following statements are examples that may be used:

- a. “Relocation expenses will be paid.”
- b. “Relocation expenses may be paid consistent with the Department’s policy and guidance.” This statement may be used for any announcement and permits officials to reserve a final determination as to whether or not mandatory and discretionary expenses will be paid. It may be determined at any time during the recruitment and selection process.
- c. “Relocation expenses will not be paid.”

12. May an announcement be cancelled if funds are no longer available to pay relocation expenses? Yes; however, the recruitment process can continue, in which case all, or the top, candidate(s) should be informed that the selection process may be delayed because of a restriction of funds or, if a selection has been made, the selectee informed that s/he cannot be relocated until adequate funds are available to pay relocation expenses when expenses are to be paid. The other alternative is to select a top candidate from the commuting area if possible so relocation expenses will not be an issue.

Selection Process

13. May a selection be based on the cost to relocate the top candidates under consideration? No, selections should be based on the merits of the top candidate(s).

Relocation Expenses vs Relocation Incentives

14. What is the difference in relocation expenses and relocation incentives? Relocation *expenses* are described in Q and A 1. A relocation *incentive* is a payment of up to 25% (up to 50% with OPM approval) of basic pay that may be paid in addition to payment of relocation expenses to attract a well-qualified current government employee to fill a position that would otherwise be difficult to fill without the use of the incentive. The *incentive* should not be used solely to augment the candidate’s salary or to provide a “signing bonus.” To be paid the incentive, the employee must have established a residence in the new location. Service agreements are required for both relocation expenses and relocation incentives. Employees must commit to at least 12 months Federal service from the reporting date in order to be paid relocation expenses. Although the minimum service period for payment of a relocation incentive is 6 months, normally organizations will use at least 12 months when relocation expenses have been paid. Organizations should be consistent among employees.

15. Can relocation expenses and incentives be paid concurrently? When relocation *expenses* have been determined to be paid during the recruitment process, then at least the mandatory allowances must be paid; however, a relocation *incentive* may be paid in addition to payment for relocation *expenses*. In the event that a determination has been made that relocation *expenses* will not be paid, a relocation *incentive* may still be paid, but it should be well justified as this is not normally done. Decisions regarding both benefits are normally made separately, unless a position has been advertised that relocation *expenses* "may be paid" and the decision to pay them is deferred to late in the selection process when consideration is given to paying a relocation *incentive*. To assist in reviewing all costs associated with a recruitment, it is recommended that the Sample Recruitment Incentive Determination Worksheet be used. It is available in the DOE Handbook on Recruitment and Retention Incentives.

Administration

16. How does an employee get paid when relocating? A claim must be submitted to the servicing chief financial office using the information sheet available at <http://www.mbe.doe.gov/cf11/aod/pcsguid2.html>, including copies of actual expenses incurred.

17. Are service agreements required for payment of relocation expenses and/or relocation incentives? Yes, see Q and A 14 and the applicable sections of this handbook regarding relocation incentives for more information.