

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

January 23, 2020

Federal Travel Regulation
GSA Bulletin FTR 20-04

TO: Heads of Federal Agencies

SUBJECT: Relocation Allowances – Withholding Tax Allowance (WTA) and Relocation Income Tax Allowance (RITA) Eligibility

1. What is the purpose of this bulletin? This bulletin provides information to agencies regarding changes to eligibility for Withholding Tax Allowance (WTA) and Relocation Income Tax Allowance (RITA) based on Section 1114 of the “National Defense Authorization Act for Fiscal Year 2020” (Public Law 116-92). Until the U.S. General Services Administration (GSA) issues a Federal Travel Regulation (FTR) amendment reflecting the legislative changes discussed herein, Federal agencies should rely on this FTR bulletin to determine WTA and RITA eligibility.
2. What is the effective date of this bulletin? This bulletin is effective retroactively from January 1, 2018, and will remain in effect until either the FTR is amended or until explicitly cancelled or superseded, whichever occurs first.
3. What is the background of this bulletin? Federal agencies authorize relocation entitlements to those listed at FTR §302-1.1 and those assigned under the Government Employees Training Act (GETA) (5 U.S.C. Chapter 41). Public Law 115-97, known as the “Tax Cuts and Jobs Act of 2017,” suspended qualified moving expense deductions along with the exclusion for employer reimbursements and payments of moving expenses effective January 1, 2018, for tax years 2018 through 2025, therefore making almost all relocation entitlements subject to additional tax liability.

To assist with the additional tax liability, agencies are authorized to pay a WTA and RITA to cover “substantially all” of the increased tax liability resulting from receipt of the relocation expense reimbursements either paid directly or indirectly. However, prior to Section 1114, WTA and RITA allowances under 5 U.S.C. §5724b were available only to employees “transferred” in the interest of the Government from one official station or agency to another for permanent duty. This statutory restriction was implemented in FTR §302-17.6.

Previously, new appointees (including political appointees), Senior Executive Service (SES) employees performing a “last move home,” employees returning from an overseas assignment for the purpose of separating from Government service, and those assigned under the GETA were not eligible for WTA and RITA as such employees were not “transferred” in the interest of the Government from one official station or agency to another for permanent duty.

However, Section 1114 amended 5 U.S.C. §5724b to expand eligibility for RITA and WTA beyond “transferred” employees to include all individuals whose travel, transportation, or relocation expenses are reimbursed or furnished in kind pursuant to subchapter 57 or chapter 41 of title 5, United States Code (see paragraph 4 below for further discussion). These individuals include, among others, those not previously eligible for RITA and WTA (e.g., new appointees (including political appointees), employees returning from an overseas assignment for the purpose of separation from Government service, SES employees eligible for last-move-home entitlements, and those assigned under GETA). Section 1114 also includes a retroactive effective date to January 1, 2018 to allow those individuals who received taxable travel, transportation, or relocation allowances since January 1, 2018 to now submit a RITA claim for the additional tax liability. These statutory amendments to 5 U.S.C. §5724b supersede FTR §302-17.6.

4. What more should agencies know about the background of this bulletin? As amended by Section 1114 of Public Law 116-92, 5 U.S.C. §5724b(b) reads as follows:“(b) For purposes of this section, the term ‘travel, transportation, or relocation expenses’ means all travel, transportation, or relocation expenses reimbursed or furnished in kind pursuant to this subchapter of chapter 41.” This paragraph contains an apparent typographical error as shown here in bold “...pursuant to this subchapter **of** chapter 41.” (emphasis added). A literal implementation of the text would render this statutory provision meaningless because “this subchapter of chapter 41” does not exist. Both S.1790 (the version of Public Law 116-92 that the Senate passed on June 27, 2019) and the statement of conferees included in the Conference Report accompanying S.1790 indicate that the text should read “...pursuant to this subchapter **or** chapter 41.” (emphasis added). Accordingly, GSA is developing a legislative proposal correcting the typographical error. However, until such time an amendment is made, GSA will implement 5 U.S.C. §5724b(b) as if it reads “...pursuant to this subchapter **or** chapter 41.” (emphasis added). GSA’s decision is based on conversations with Congress, and is aimed at avoiding a literal interpretation of the statute which would produce an absurd result that is demonstrably at odds with Congressional intent.

5. What should agencies do? Agencies should update internal relocation policies and reimbursement procedures in accordance with statutory changes to WTA and RITA eligibility at 5 U.S.C. §5724b.

6. To whom does this bulletin apply? This bulletin applies to those identified in FTR §302-1.1 who are authorized relocation reimbursements under the FTR and who receive some or all reimbursements, direct payments, or indirect payments on or after January 1, 2018, and on or before December 31, 2025.

7. Whom should I call for further information? For further information or clarification of content, please contact Mr. Rick Miller, Office of Government-wide Policy (M), Office of Asset and Transportation Management (MA), at (202) 501-3822 or by e-mail at travelpolicy@gsa.gov. Please cite FTR Bulletin 20-04.

By delegation of the Administrator of General Services.

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