U.S. General Services Administration

Supplemental Guide to the Federal Travel Regulation (FTR)

Prepared by the
Office of Asset and Transportation Management
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BACKGROUND & ORGANIZATION

To implement the President's Deregulatory Initiatives, and to better reflect modern travel operations while still accounting for statutory requirements, GSA issued a final rule amending the entire Federal Travel Regulation (FTR) on December 8, 2025. Those updates streamlined text and removed duplicative regulations to drive more efficient and effective Federal travel and relocation.

Some information that did not meet the criteria for inclusion in the revised FTR, but that may still be useful to agencies in managing travel, was flagged for inclusion in guidance materials. That information is presented in this supplemental guide. However, not everything that was removed is included. Please keep in mind that the information in this guidebook is not regulatory, but may be used in full or part as agency guidance or agency policy.

Fully or partially removed sections are organized by the chapter and part they are related to in the revised FTR.

CHAPTER 301 TEMPORARY DUTY (TDY) TRAVEL ALLOWANCES

The following sections from the version of the FTR prior to the December 8, 2025 changes were determined to have potential use for agencies in filling out potential gaps in agency travel policies.

Table 1. Information from Chapter 301 flagged for inclusion in guidance materials

Previous Section Number	Previous Section Heading
§ 301-10.143	What is my liability if I improperly use a foreign air carrier?
§ 301-10.190	When may I use a transit system as a means of transportation in conjunction with official travel?
§ 301-10.201	For what purposes may I use a Government vehicle other than a Government aircraft?
§ 301-10.220	What requirements must I meet to operate a Government-furnished automobile for official travel?
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Previous Section Number	Previous Section Heading
§ 301-11.21	Will I be reimbursed for per diem or actual expenses on leave or non-workdays (weekend, legal Federal Government holiday, or other scheduled non-workdays) while I am on official travel?
§ 301-11.27	Are taxes included in the lodging portion of the Government per diem rate?
§ 301-11.29	Are lodging facilities required to accept a generic federal, state or local tax exempt certificate?
§ 301-11.31	Are laundry, cleaning and pressing of clothing expenses reimbursable?
§ 301-12.1	What miscellaneous expenses are reimbursable?
§ 301-70.101	What factors must we consider in determining which method of transportation results in the greatest advantage to the Government?
§ 301-70.709	What can we do to reduce travel charge card delinquencies?
§ 301-70.802	Must we ensure that travel on Government aircraft is the most cost-effective alternative?
§ 301-71.207	What internal policies and procedures must we establish for travel reimbursement?
§ 301-74.9	Are there any special requirements for sponsoring or funding a conference at a hotel, motel or other place of public accommodation?
§ 301-74.10	May we waive the requirement in § 301-74.9?
§ 301-74.11	What must be included in any advertisement or application form relating to conference attendance?
§ 301-74.12	What special rules apply when a conference is held in the District of Columbia?

Related to 301-10—Transportation Expenses

§ 301-10.143 What is my liability if I improperly use a foreign air carrier?

You will not be reimbursed for any transportation cost for which you improperly use foreign air carrier service. If you are authorized by your agency to use U.S. flag air carrier service for your entire trip, and you improperly use a foreign air carrier for any part of or the entire trip (i.e., when not permitted under this regulation), your transportation cost on the foreign air carrier will not be payable by your agency. If your agency authorizes you to use U.S. flag air carrier service for part of your trip and foreign air carrier service for another part of your trip, and you improperly use a foreign air carrier (i.e., when neither authorized to do so nor otherwise permitted under this regulation), your agency will pay the transportation cost on the foreign air carrier for only the portion(s) of the trip for which you were authorized to use foreign air carrier service. The agency must establish internal procedures for denying reimbursement to travelers when use of a foreign air carrier was neither authorized nor otherwise permitted under this regulation.

Current Status: Liability for improper use of a foreign air carrier is now addressed in § 301-10.142. However, the examples of improper use (i.e., "if" statements) were removed.

§ 301-10.190 When may I use a transit system as a means of transportation in conjunction with official travel?

You may use a transit system as a means of transportation in conjunction with official travel when such transportation is authorized and approved by your agency in the following manner:

(a) At your official station.

(1) From your residence or other authorized point of departure, e.g., rail to airport;

(2) To your residence or other authorized point of return, e.g., airport to rail;

(3) From your residence to your office on the day you depart the official station on official TDY that requires at least one night's lodging; or

(4) From your office to your residence on the day you return to the official station from an official TDY assignment that required at least one night's lodging.

(b) At your TDY location. (1) From the TDY transit system station(s) to your place of lodging or place of official business and return;

(2) To, from, and between your places of lodging and official business;

(3) Between places of official business; or

(4) To obtain meals at the nearest available place when the nature and location of the official business or the lodging at a TDY location are such that meals cannot be obtained there. You must attach a statement or include electronic remarks with your travel voucher explaining why such transportation was necessary.

Current Status: This section still exists, but to and from details were removed.

§ 301-10.201 For what purposes may I use a Government vehicle other than a Government aircraft?

Only for official purposes which include transportation:

(a) Between places of official business;

(b) Between such places and places of temporary lodging when public transportation is unavailable or its use is impractical;

(c) Between either paragraph (a) or (b) of this section and restaurants, drug stores, barber shops, places of worship, cleaning establishments, and similar places necessary for the sustenance, comfort, or health of the employee to foster the continued efficient performance of Government business; or

(d) As otherwise authorized by your agency under 31 U.S.C. 1344.

Current Status: This section was cut because it is not statutorily required. Use of a government vehicle in general is addressed in the Federal Management Regulation at §102-34.200.

§ 301-10.220 What requirements must I meet to operate a Government-furnished automobile for official travel?

You must possess a valid State, District of Columbia, or territorial motor vehicle operator's license and have a travel authorization specifically authorizing the use of a Government-furnished automobile

Current Status: This section was removed because needing to have a valid driver's license to operate an automobile is common knowledge.

§ 301-10.261 When may I use a Government aircraft for travel?

You may use Government aircraft—

(a) For official travel only when—

* * * * *

(2) The cost of using a Government aircraft is less than the cost of the city-pair fare for scheduled commercial airline service or the cost of the lowest available full coach fare if a city-pair fare is not available to you. The cost of non-productive or lost work time while in travel status and certain other costs should be considered when comparing the cost of using a Government aircraft in lieu of scheduled commercial airline service. Additional information on costs included in this cost comparison may be found in the "U.S. Government Aircraft Cost Accounting Guide," available by emailing aviationpolicy@gsa.gov.

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Current Status: Reference to the cost accounting guide was removed, but the guide still exists and the information in the guide is still relevant.

§ 301-10.306 What will I be reimbursed if authorized to use a POV between my residence and office and then from my office to a common carrier terminal, or from my residence directly to a common carrier terminal?

If determined advantageous to the Government, you will be reimbursed on a mileage basis plus other allowable costs for round-trip travel on the beginning and/or ending of travel between the points involved.

Current Status: Some readers found this section confusing, others found it helpful. It has been simplified in the current FTR. In general, employees cannot include the regular home to work commute in their reimbursement amount. GSA generally advises if the employee goes to work first, then leaves from work to the common carrier terminal, only the mileage to and from work and the common carrier is reimbursable, as "home to work" commutes have long been established as not reimbursable. If the employee drives directly to the common carrier from home and does not undergo the regular commute to the office, then all of the mileage to and from the terminal is reimbursable.

§ 301-10.307 What will I be reimbursed if I use a POV to transport other employees?

Using a POV to transport other employees is strictly voluntary and you may be reimbursed in accordance with § 301-10.305.

Current status: GSA advises employees to check with their agency policy regarding liability issues for transporting other employees. Passenger employees should be mindful that if they are not authorized to use a POV, they will not get reimbursed for either mileage or “contributing to the gas” type expenses.

§ 301-10.452 May I be reimbursed for personal accident insurance?

No. That is a personal expense and is not reimbursable.

Current status: This section was not statutorily required, so it was removed. It can serve as a good reminder in agency policy that the government will not reimburse this kind of insurance.

Related to 301-11—Subsistence Expenses

§ 301-11.21 Will I be reimbursed for per diem or actual expenses on leave or non-workdays (weekend, legal Federal Government holiday, or other scheduled non-workdays) while I am on official travel?

(a) In general, you will be reimbursed as long as your travel status requires your stay to include a non-workday, (e.g., if you are on travel through Friday and again starting Monday you will be reimbursed for Saturday and Sunday), however, your agency should determine the most cost effective situation (i.e., remaining in a travel status and paying per diem or actual expenses or permitting your return to your official station).

(b) Your agency will determine whether you will be reimbursed for non-workdays when you take leave immediately (e.g., Friday or Monday) before or after the non-workday(s).

Note to § 301-11.21:

If emergency travel is involved due to an incapacitating illness or injury, the rules in part 301-30 of this chapter govern.

Current status: The detailed examples were removed from the latest version of the FTR, but still may be a helpful reference for agencies.

§ 301-11.27 Are taxes included in the lodging portion of the Government per diem rate?

No. Lodging taxes paid by you are reimbursable as a miscellaneous travel expense limited to the taxes on reimbursable lodging costs. For example, if your agency authorizes you a maximum lodging rate of $50 per night, and you elect to stay at a hotel that costs $100 per night, you can only claim the amount of taxes on $50, which is the maximum authorized lodging amount. This section is effective January 1, 1999, for CONUS locations and effective January 1, 2000, for non-foreign areas. For foreign areas, lodging taxes have not been removed from foreign per diem rates established by the Department of State. Separate claims for lodging taxes incurred in foreign areas are not allowed.

Current status: The examples were removed from the current FTR, but still may be helpful.

§ 301-11.29 Are lodging facilities required to accept a generic federal, state or local tax exempt certificate?

Exemptions from taxes for Federal travelers, and the forms required to claim them, vary from location to location. The GSA SmartPay ® Program Support office provides more information regarding state tax exemptions on its Web site (https://smartpay.gsa.gov/content/state-tax-information) and by e-mail (gsa_smartpay@gsa.gov).

Current status: This information, while not statutorily required, is still accurate and useful.

§ 301-11.31 Are laundry, cleaning and pressing of clothing expenses reimbursable?

Your agency may reimburse the expenses incurred for laundry, cleaning, and pressing of clothing as a miscellaneous travel expense for TDY within CONUS. However, you must incur a minimum of four consecutive nights lodging on official travel to qualify for this reimbursement. Laundry and dry cleaning expenses have not been removed from foreign per diem rates established by the Department of State, or from non-foreign area per diem rates established by the Department of Defense. Separate claims for laundry and dry cleaning expenses incurred in foreign areas and non-foreign areas are not allowed.

Current status: While this section was removed from the FTR as it was not statutorily required, agencies can still choose to reimburse laundry as a miscellaneous expense. Agencies may find the previous guidance helpful for their agency policy, but do not have to follow the previous four-day rule.

Related to 301-12—Miscellaneous Expenses

§ 301-12.1 What miscellaneous expenses are reimbursable?

When the following items have been authorized or approved by your agency, they will be reimbursed as a miscellaneous expense. Taxes for reimbursable lodging are deemed approved when lodging is authorized. Examples of such expenses include, but are not limited to the following:

General expenses	Fees to obtain money	Special expenses of foreign travel
Baggage expenses as described in § 301-12.2.	Fees for travelers checks	Commissions on conversion of foreign currency.
Services of guides, interpreters, and drivers.	Fees for money orders	Passport and/or visa fees, including fees for a physical examination if one is required to obtain a passport and/or visa and such examination could not be obtained at a Government facility. Reimbursement for such fees may include travel and transportation costs to the passport/visa issuing office if located outside the local commuting area of the employee's official station and the traveler's presence at that office is mandatory.
Services of an attendant as described in § 301-13.3.		
Use of computers, printers, faxing machines, and scanners.	Fees for certified checks	Costs of photographs for passports and visas.
Services of typists, data processors, or stenographers.	Transaction fees for use of automated teller machines (ATMs)-Government contractor-issued charge card	Foreign country exit fees.
Services of an attendant as described in § 301-13.3.		Costs of birth, health, and identity certificates.
Storage of property used on official business.		Charges for inoculations that cannot be obtained through a Federal dispensary.
Hire of conference center room or hotel room for official business.		
Official telephone calls/service (see note).		
Faxes, telegrams, cablegrams, or radiograms.		
Lodging taxes as prescribed in § 301-11.27.		
Laundry, cleaning and pressing of clothing expenses as prescribed in § 301-11.31.		

Energy surcharge and lodging resort fee(s) (when such fee(s) is/are not optional).		

Note to § 301-12.1:

You should use Government provided services for all official communications. When they are not available, commercial services may be used. Reimbursement may be authorized or approved by your agency.

Current status: The specific examples have been removed from the FTR as they were not statutorily required and in some cases ended up limiting what agencies reimbursed. However, they still may prove useful.

Related to 301-70—Internal Policy and Procedure Requirements

§ 301-70.101 What factors must we consider in determining which method of transportation results in the greatest advantage to the Government?

In selecting a particular method of transportation you must consider:

(a) The total cost to the Government, including per diem, overtime, lost worktime, actual transportation cost, total distance of travel, number of points visited, the number of travelers and energy conservation. As stated in 5 U.S.C. 5733, “travel of an employee shall be by the most expeditious means of transportation practicable and shall be commensurate with the nature and purpose of the duties of the employee requiring such travel.”

(b) Travel by common carrier (air, rail, bus) is considered the most advantageous method to perform official travel. Other methods of transportation may be authorized as advantageous only when the use of common carrier transportation would interfere with the performance of official business or impose an undue hardship upon the traveler, or when the total cost by common carrier exceeds the cost by another method of transportation. A determination that another method of transportation is more advantageous to the Government than common carrier will not be made on the basis of personal preference or inconvenience to the traveler.

(c) When travel must be performed by automobile, agencies should next consider using a Government-furnished automobile.

(d) If a Government-furnished automobile is not available, agencies should then consider using the least expensive compact rental vehicle.

(e) Agencies should lastly consider authorizing a POV only if the employee agrees to use a POV, because agencies cannot mandate employees to use their POV for official reasons.

Current status: While the details of this section were cut due to not being statutorily required, GSA believes the advice can still serve as a good guideline for determining what mode of transportation to use when authorizing travel.

§ 301-70.709 What can we do to reduce travel charge card delinquencies?

To reduce travel charge card delinquencies by your employees, you should consider implementing one or more of the following suggestions (this list is not comprehensive; you may adopt other appropriate procedures):

(a) Agency travel program coordinators must be trained and aware of their responsibilities and the delinquency management tools available under your agreement with the travel charge card contractor.

(b) Ensure that managers and supervisors are provided monthly delinquency and questionable charges report.

(c) Periodically, but at least once a year, verify that cardholders are still current employees.

(d) For inactive accounts (cards not used within 6 months, one year, etc., reduce card limit to $1, increase dollar limit when necessary.

(e) Work with the charge card contractor to block certain high-risk category codes (e.g., department stores, automobile dealerships, specialty stores), etc.

(f) Review ATM cash withdrawals for reasonableness and association with official travel.

(g) Implement a salary offset program. (See part 301-76 of this chapter).

(h) Implement split disbursement in your travel vouchering system, so that an employee may authorize you to make certain payments directly to the charge card contractor on the employee's behalf.

(i) Refer potential fraud cases to your agency IG for investigation.

(j) Information on travel cardholder training is available at https://smartpay.gsa.gov/content/training.

(k) Ensure that employees turn in their travel charge card when they retire or leave the agency.

Current status: GSA believes this is still good guidance for reducing charge card delinquencies, although it is not statutory.

§ 301-70.802 Must we ensure that travel on Government aircraft is the most cost-effective alternative?

(a) Yes, you must ensure that travel on a Government aircraft is the most cost-effective alternative that will meet the travel requirement. Your designated travel approving official must—

(1) Compare the cost of all travel alternatives, as applicable, that is—

(i) Travel on a scheduled commercial airline;

(ii) Travel on a Federal aircraft;

(iii) Travel on a Government aircraft hired as a commercial aviation service (CAS); and

(iv) Travel by other available modes of transportation; and

(2) Approve only the most cost-effective alternative that meets your agency's needs.

(3) Consider the cost of non-productive or lost work time while in travel status and certain other costs when comparing the costs of using Government aircraft in lieu of scheduled commercial airline service and other available modes of transportation. Additional information on costs included in the cost comparison may be found in the “U.S. Government Aircraft Cost Accounting Guide,” published by the General Services Administration, Office of Government-wide Policy. To obtain a copy of the guide, please contact aviationpolicy@gsa.gov.

(b) The aircraft management office in the agency that owns or hires the Government aircraft must provide your designated travel-approving official with cost estimates for a Government aircraft trip (i.e., a Federal aircraft trip cost or a CAS aircraft trip cost).

(c) When an agency operates a Government aircraft to fulfill a non-travel related governmental function or for required use travel, using any space available for passengers on official travel is presumed to result in cost savings.

Related to 301-71—Agency Travel Accountability Requirements

§ 301-71.103 Travel authorization signature authority.

Generally, the travel authorization must be signed by the agency head or their delegate; authority may be delegated to a person who understands how the travel supports the agency’s mission, is knowledgeable about the employee’s travel plans, and is responsible for the travel funds paying for the trip. Delegation should be limited to an official at as low an administrative level as permitted by the agency and relevant laws to ensure adequate consideration and review of the circumstances. However, agencies should consult relevant FTR sections for exceptions to the general rule regarding the appropriate official to sign the travel authorization. For example, the appropriate official to sign the authorization travel on a Government aircraft is determined under 41 CFR 301-10.260-265 and 301-70.800-907.

§ 301-71.207 What internal policies and procedures must we establish for travel reimbursement?

You must establish policies and procedures governing:

(a) Who are the proper officials to review, approve, and certify travel claims (including travel claims requiring special authorization);

(b) How an employee should submit a travel claim (including whether to use a standard form or an agency form and whether the form should be written or electronic);

(c) When you will exempt employees from the requirement for a receipt;

(d) Timeframes for employee to submit a claim (see § 301-52.7);

(e) Timeframe for agency to pay a claim (see § 301-71.204);

(f) Process for disallowing a claim; and

(g) Process for resolving a disallowed claim.

Related to 301-74—Conference Travel *(All of 301-74 was removed as it was not statutory.)*

§ 301-74.9 Are there any special requirements for sponsoring or funding a conference at a hotel, motel or other place of public accommodation?

Yes. When you sponsor or fund (see 15 U.S.C. 2225a), in whole or in part, a conference at a place of public accommodation in the United States, you must use an approved accommodation (see § 300-3.1 of this title), except as provided in § 301-74.10. This provision also applies to the government of the District of Columbia when it expends Federal funds for a conference and any non-Federal entity which uses Government funds to sponsor or fund a conference.

Current status: Even though the regulation was removed from the FTR, agencies should note that 15 U.S.C. 2225a is still in effect.

§ 301-74.10 May we waive the requirement in § 301-74.9?

Yes, if the head of your agency makes a written determination on an individual case basis that waiver of the requirement to use approved accommodations is necessary in the public interest for a particular event. Your agency head may delegate this waiver authority to a senior agency official or employee who is given waiver authority with respect to all conferences sponsored or funded, in whole or in part, by your agency.

§ 301-74.11 What must be included in any advertisement or application form relating to conference attendance?

Any advertisement or application for attendance at a conference described in § 301-74.9 must include notice of the prohibition against using a non-FEMA approved place of public accommodation for conferences. In addition, any executive agency, as defined in 5 U.S.C. 105, shall notify all non-Federal entities to which it provides Federal funds of this prohibition.

§ 301-74.12 What special rules apply when a conference is held in the District of Columbia?

In addition to the general rules provided in this part, the following special rules apply:

(a) You may not directly procure lodging facilities in the District of Columbia without specific authorization and appropriation from Congress (see 40 U.S.C. 8141); and

Note to § 301-74.12(a):

This provision does not prohibit payment of per diem to an employee authorized to obtain lodging in the District of Columbia while performing official business travel.

(b) It is no longer mandatory that you contact GSA for meeting or conference facilities in the District of Columbia. However, you are encouraged to contact the GSA Public Buildings Service (PBS) of the National Capital Region to inquire about the availability of short-term conference and meeting facilities in the District of Columbia.

Current status: Please note that the law mentioned (40 U.S.C. 8141) is still in effect.

CHAPTER 302 RELOCATION ALLOWANCES

Table 2: Information from Chapter 302 flagged for inclusion in guidance materials

Previous Section Number	Previous Section Heading
§ 302-1.101	What actions are agencies expected to take concerning the comprehensive, automated relocation management system?
§ 302-2.100	What internal policies must we establish before authorizing a relocation allowance?
§ 302-3.502	What factors should we consider in determining whether to authorize a TCS for a long-term assignment?
§ 302-3.507	What must we consider when determining return travel for immediate family member(s) for compassionate reasons prior to completion of the service agreement?
§ 302-5.100	How should we administer the househunting trip expenses allowance?
§ 302-5.102	Under what circumstances may we authorize a househunting trip?
§ 302-5.104	What factors must we consider in determining whether to offer an employee the fixed amount househunting trip subsistence expense reimbursement option?

§ 302-9.301	Under what conditions may my agency authorize transportation of my POV within CONUS?
§ 302-9.604	Under what condition may we authorize transportation of a POV to a post of duty?
§ 302-9.605	What factors must we consider in deciding whether to authorize transportation of a POV to a post of duty?
§ 302-9.606	What must we consider in determining whether transportation of a POV within CONUS is cost effective?
§ 302-10.204	What costs are allowed for preparing a mobile home for shipment?
§ 302-11.302	What documentation must I submit to my agency to request reimbursement for the sale of a former residence or the purchase of a new one?
§ 302-12.103	Considerations in deciding whether to use the fixed-fee or cost-reimbursable contracting method
§ 302-12.105	Must we have a contract with a RSC that includes a comprehensive homesale program?
§ 302-12.106	Use of a relocation services contract for services which an agency is contractually bound to obtain under another travel services contract
§ 302-12.109	May we require employees to participate in counseling before listing their homes?
§ 302-12.113	What must we do when planning, establishing, and administering a RSC contract?
§ 302-12.115	What are the income tax consequences that we must consider when offering relocation services?
§ 302-12.118	Under a homesale program, may we establish a maximum home value above which we will not pay for homesale services?
§ 302-14.3	Conditions under which a home marketing incentive payment is made.
§ 302-14.102	What factors should we consider in determining whether to establish a home marketing incentive payment program and the payment amount?
§ 302-14.103	What factors should we consider in determining the amount of a home marketing incentive payment?
§ 302-15.1	Purpose of property management services
§ 302-16.1	Purpose of the miscellaneous expenses allowance (MEA)
§ 302-16.8	What are examples of types of costs covered by the MEA?
§ 302-16.10	What standard of care must I use in incurring miscellaneous expenses?
§ 302-16.49	What are examples of types of costs not covered by the MEA?
§ 302-16.100	What governing policies must we establish for MEA?
§ 302-17.1	What special terms apply to this part?

§ 302-17.2	Why does relocation affect personal income taxes?
§ 302-17.11	Where can I find additional information and guidance on WTA and RITA?
§ 302-17.31	Procedures for calculation and payment of the RITA
§ 302-17.40	CMTR calculation methodology
§ 302-17.100	May we use a relocation services provider to comply with the requirements of this part?
§ 302-17.103	What are the advantages of choosing a 1-year or a 2-year RITA process?

Related to 302-1—General Rules/Applicability

§ 302-1.101 What actions are agencies expected to take concerning the comprehensive, automated relocation management system?

Agencies should work toward unifying all aspects of relocation into a comprehensive, automated relocation management system.

Related to 302-2—Employee Eligibility Requirements

§ 302-2.100 What internal policies must we establish before authorizing a relocation allowance?

Before authorizing a relocation allowance, you must set internal policies that determine:
(a) How you will implement the governing policies throughout this part;
(b) How you will determine when a relocation is in the best interest of the Government;
(c) When you will allow a travel advance for relocation expenses;
(d) Who will authorize and approve relocation travel;
(e) Under what additional circumstances will you require an employee to sign a service agreement;
(f) Who is required to sign a service agreement; and
(g) How you will ensure that all relocating employees sign a duplicate reimbursement disclosure statement, which is to be incorporated into their relocation service agreements (see § 302-2.22).

Related to 302-3—Subpart F-Agency Responsibilities

§ 302-3.502 What factors should we consider in determining whether to authorize a TCS [Temporary Change of Station] for a long-term assignment?

You should consider the following factors in determining whether to authorize a TCS:

(a) Cost considerations. You should consider the cost of each alternative. A long-term temporary duty travel assignment requires the payment of either per diem or actual subsistence expenses for the entire period of the assignment. This could be very costly to the agency over an extended period. A TCS will require fairly substantial relocation allowance payments at the beginning and end of the assignment, and less substantial payments for extended storage and property management services, when authorized, during the period of the assignment. Agencies should estimate the total cost of each alternative and authorize the one that is most advantageous for the agency, cost and other factors considered;

(b) Tax considerations. An employee who performs a temporary duty travel assignment exceeding one year at a single location is subject to income taxation of the employee's travel expense reimbursements. The Withholding Tax Allowance and the Extended TDY Tax Reimbursement Allowance allow for the reimbursement of Federal, state, and local income taxes incurred as a result of taxable extended temporary duty assignments (seesections 301-11.601 through 605 of the FTR of this Subtitle). An employee who is authorized and performs a TCS also will be subject to income taxation of some, but not all, of their TCS expenses. You will pay an offsetting Relocation Income Tax (RIT) allowance on an employee's TCS expense reimbursements; and

(c) Employee concerns. The long-term assignment of an employee away from the employee's official station and immediate family may negatively affect the employee's morale and job performance. Such negative effects may be alleviated by authorizing a TCS so the employee can transport their immediate family and/or household goods at Government expense to the location where the employee will perform the long-term assignment. You should consider the effects of a long-term temporary duty travel assignment on an employee when deciding whether to authorize a TCS.

§ 302-3.507 What must we consider when determining return travel for immediate family member(s) for compassionate reasons prior to completion of the service agreement?

(a) The immediate family member(s)' physical or mental health;
(b) The death of a member of the immediate family;
(c) Obligations imposed by authority or circumstances over which the individual has no control;
(d) The divorce or annulment of the employee's marriage; or
(e) A dependent that traveled to post of duty on the employee's authorized TA and has now reached their 21st birthdate.

Related to 302-5—Allowance for Househunting Trip Expenses

§ 302-5.100 How should we administer the househunting trip expenses allowance?

You should administer the househunting trip expenses allowance to minimize or avoid its use when other satisfactory and more economical arrangements are available.

§ 302-5.102 Under what circumstances may we authorize a househunting trip?

You may authorize a househunting trip on an individual-case basis when the employee has accepted the transfer and the employee's circumstances indicate that a househunting trip actually is needed. You may not authorize a househunting trip when the purpose of the trip is to assist the employee in deciding whether the employee will accept the transfer.

§ 302-5.104 What factors must we consider in determining whether to offer an employee the fixed amount househunting trip subsistence expense reimbursement option?

You must consider the following factors:

(a) Ease of administration. Payment of a per diem allowance under part 302-4 of this chapter requires you to review claims for the validity, accuracy, and reasonableness of each expense amount, except for meals and incidental expenses. Lump sum househunting trip subsistence expenses reimbursement is easier to administer because you do not have to review expense amounts.

(b) Cost considerations. You must weigh the cost of each reimbursement option on a case-by-case basis.

(c) Treatment of employees. The employee is allowed to choose between a per diem allowance under part 302-4 of this chapter and lump sum househunting trip subsistence expenses reimbursement when you offer the lump sum reimbursement method. You therefore should weigh employee morale and productivity considerations against actual cost considerations in determining which method to offer.

Related to 302-9—Allowances for Transportation and Emergency or Temporary Storage of a Privately Owned Vehicle

§ 302-9.301 Under what conditions may my agency authorize transportation of my POV within CONUS?

Your agency will authorize transportation of your POV within CONUS only when:

(a) It has determined that use of your POV to transport you and/or your immediate family from your old official station (or place of actual residence, if you are a new appointee or student trainee) to your new official station would be advantageous to the Government;

(b) Both your old official station (or place of actual residence, if you are a new appointee or student trainee) and your new official station are located within CONUS;

(c) Your agency further determines that it would be more advantageous and cost effective to the Government to transport your POV to the new official station at Government expense and to pay for transportation of you and/or your immediate family by commercial means than to have you or an immediate family member drive the POV to the new official station;

(d) Your agency determines that the POV is in operating order and legally titled and tagged for driving.

§ 302-9.604 Under what condition may we authorize transportation of a POV to a post of duty?

You may authorize transportation of a POV to a post of duty only when you determine, after consideration of the factors below in § 302-9.605, that it is in the interest of the Government for the employee to have use of a POV at the post of duty.

§ 302-9.605 What factors must we consider in deciding whether to authorize transportation of a POV to a post of duty?

When deciding whether to authorize transportation of a POV to a post of duty, you must consider if:
(a) Local conditions at the employee's post of duty warrant use of a POV;
(b) Use of the POV will contribute to the employee's effectiveness on the job;
(c) Use of a POV of the type involved will be suitable under local conditions at the post of duty;
(d) The cost of transporting the POV to and from the post of duty will be excessive, considering the time the employee has agreed to serve; and
(e) The POV is in operating order and legally titled and tagged for driving.

§ 302-9.606 What must we consider in determining whether transportation of a POV within CONUS is cost effective?

When determining whether transportation of a POV within CONUS is cost effective, you must consider the:
(a) Cost of traveling by POV;
(b) Cost of transporting the POV;
(c) Cost of travel if the POV is transported;

(d) Productivity benefit you derive from the employee's accelerated arrival at the new official station; and
(e) The POV is in operating order and legally titled and tagged for driving.

Related to 302-10—Allowances for Transportation of Mobile Homes and Boats Used as a Primary Residence

§ 302-10.204 What costs are allowed for preparing a mobile home for shipment?

Allowable costs for preparing a mobile home for shipment include but are not limited to:
(a) Blocking and unblocking (including anchoring and unanchoring);
(b) Labor costs of removing and installing skirting;
(c) Separating, preparing, and sealing each section for movement;
(d) Reassembling the two halves of a double-wide mobile home;
(e) Travel lift fees;
(f) Rental, installation, removal and transportation of hitches and extra axles with wheels and tires;
(g) Purchasing blocks in lieu of transporting blocks from old official station and cost of replacement blocks broken while mobile home was being transported;
(h) Packing and unpacking of HHG associated with the mobile home;
(i) Disconnecting and connecting utilities;
(j) Installation and removal of towing lights on trailer;
(k) Charges for reasonable extension of existing water and sewer lines; and
(l) Dismantling and assembling a portable room appended to a mobile home.

Related to 302-11—Allowances for Expenses Incurred in Connection with Residence Transactions

§ 302-11.302 What documentation must I submit to my agency to request reimbursement for the sale of a former residence or the purchase of a new one?

To request reimbursement for the sale of a former residence or the purchase of a new one, you must submit to your agency:
(a) Copies of your sales agreement when selling a residence;
(b) Your purchase agreement when a purchasing a residence;
(c) Property settlement documents;
(d) Loan closing statements; and
(e) Invoices or receipts for other bills paid.

Related to 302-12—Use of a Relocation Services Company

§ 302-12.103 Considerations in deciding whether to use the fixed-fee or cost-reimbursable contracting method

Agencies must consider the following factors in deciding whether to use the fixed-fee or cost-reimbursable contracting method:

(a) *Risk of alternative methods.* Under a fixed fee contract, the relocation services company bears all risks not expressly contained in the contract. Under a cost-reimbursable contract, the agency must assume some or all risks and, therefore, must assume some management responsibilities under the contract as well. For example, under a fixed fee homesale program agencies are not directly liable for losses incurred if a residence does not sell immediately, while under a cost-reimbursable homesale program agencies assume some or all risks of selling the residence.

(b) *Cost of alternative methods.* Under the fixed fee method of contracting, the fee includes a cost component for risks assumed by the relocation services company. Under the cost-reimbursable method of contracting, agencies are directly responsible for some or all of the costs associated with management of the contract. In deciding whether to use cost-reimbursable contracting agencies, therefore, must consider the cost of resources they would require (including personnel costs) to manage a cost-reimbursable relocation services contract.

(c) *Effect on the obligation of funds.* Agencies must obligate funds for a relocation in the fiscal year in which the purchase order is awarded under the contract. Under the fixed fee contracting method, the amount of the relocation services fee is fixed and agencies have a basis for determining the amount of funds to obligate. Under the cost-reimbursable contracting method, agencies must obligate funds based on an estimate of the costs that will be incurred. When opting for cost-reimbursable contracting agencies, therefore, should establish a reliable method of computing fund obligation estimates.

§ 302-12.105 Must we have a contract with a RSC that includes a comprehensive homesale program?

No, you are not required to have a contract that includes a comprehensive homesale program (which, for this purpose, is defined as a relocation program that includes a contract with a RSC that provides for buyer value option sales, amended sales, and appraised value purchases by the RSC). However, if you do not have such a program, you must examine and evaluate the objectives and relative costs of your relocation benefits and management processes at least once every two years to determine whether a comprehensive homesale program should be part of your relocation program.

§ 302-12.106 What rules must we follow when contracting for a comprehensive homesale program?

Agencies may not use a relocation services contract to which they are contractually bound to obtain the services of another relocation service provider or to circumvent the travel and transportation expense payment system contract if they are a user of that contract.

§ 302-12.109 May we require employees to participate in counseling before listing their homes?

(a) Yes, you may require that employees participate in counseling before listing their homes, provided this is written into your agency's relocation policy. This is a common practice in the private sector. Please note, however, that this may exclude from your homesale program any employee who lists their home before the relocation travel authorization is approved. If you choose to make this part of your agency policy, you should make a major, ongoing effort to inform as many of your potential transferees as possible of this policy.

(b) You may require, through your contract with the RSC, that every employee enrolled in the homesale program use a real estate broker specified by the RSC. This provision is not part of the standard terms for a homesale program, but it may provide a pricing advantage in negotiations with potential RSC, as well as an opportunity for better management of the homesale process.

(c) Under the Real Estate Procedures Settlement Act (RESPA), you may not require that the employee obtain any mortgage from a lender specified by the RSC. The RSC may provide the employee access to multiple mortgage service providers as long as there is no use requirement, and the employee is provided a choice. Allowing the RSC to provide access to multiple providers is not part of the standard terms for a homesale program, but it may provide a pricing advantage in negotiations with potential RSCs, as well as an opportunity for better management of the homesale process.

§ 302-12.113 What must we do when planning, establishing, and administering a RSC contract?

(a) When planning and establishing a RSC contract, you must structure the contract so that it provides the best possible value to the Government, considering costs, tax implications, morale, mobility, employee choice, productivity, and any other relevant considerations. For most agencies and most relocations, this structure will include the possibility of a BVO sale or an amended value sale.
(b) Once you have a RSC contract, you must monitor costs and tax consequences and make adjustments as necessary, to ensure that your homesale program continues to provide the same best value to the Government.

§ 302-12.115 What are the income tax consequences that we must consider when offering relocation services?

Amounts you pay to a relocation services company on behalf of an employee may be taxable to the employee. In some cases, such as certain homesale programs, the amounts may not be taxable. You must determine the taxability of such payments, and pay a relocation income tax (RIT) allowance RITA in accordance with part 302-17 of this chapter on payments you determine to be taxable to the employee. You may contact the: Assistant Chief Counsel (Income Tax & Accounting), Internal Revenue Service, 1111 Constitution Avenue, NW., Room 5501, Washington, DC 20224, for information on the income tax consequences of payments you make to a relocation services company.

§ 302-12.118 Under a homesale program, may we establish a maximum home value above which we will not pay for homesale services?

Yes, if a home exceeding the maximum value above which you will not pay is sold under your homesale program, the employee will be responsible for any additional costs. You must establish a maximum amount commensurate with your agency's experience. You may consider, among other factors, budgetary constraints, the value range of homes in areas where you have offices, and the value range of homes previously entered in your program.

Related to 302-14—Home Marketing Incentive Payments

§ 302-14.3 Am I eligible to receive a home marketing incentive payment?

(f) The employee meets any additional conditions the agency has established, including but not limited to, mandatory marketing periods, list price guidelines, closing requirements, and residence value caps.

§ 302-14.102 What factors should we consider in determining whether to establish a home marketing incentive payment program?

In determining whether to establish a home marketing incentive payment program, you should consider:
(a) Whether the program will increase the percentage of residences sold for which employees find a bona fide buyer. You should establish a benchmark for the percentage of residences for which you expect employees to find a bona fide buyer resulting in lower homesale costs to you. If your historical percentage of employee-generated sales is below your benchmark, a home marketing incentive payment program may benefit you; and
(b) The expected net savings from a home marketing incentive payment program.

§ 302-14.103 What factors should we consider in determining the amount of a home marketing incentive payment?

In determining the amount of a home marketing incentive payment, you should consider the:
(a) Amount of savings from reduced fee/expenses paid to the relocation services company. The home marketing incentive payment program is intended to reduce your relocation costs. The amount of each home marketing incentive payment you make, therefore, must not exceed the savings you realize from the reduced fee you pay to the relocation services company; and

(b) Employee's efforts in marketing the residence. The purpose of a home marketing incentive payment program is to encourage a transferred employee who participates in a homesale program to independently and aggressively market the employee's residence and find a bona fide buyer.

Related to 302-15—Allowance for Property Management Services

§ 302-15.1 What are property management services?

“Property management services” are programs provided by private companies for a fee, which help an employee to manage a residence at the old official station as a rental property. These services typically include, but are not limited to, obtaining a tenant, negotiating the lease, inspecting the property regularly, managing repairs and maintenance, enforcing lease terms, collecting the rent, paying the mortgage and other carrying expenses from rental proceeds and/or funds of the employee, and accounting for the transactions and providing periodic reports to the employee. Property management services allowance are able to:

(a) Reduce overall Government relocation costs by using the property management services allowance in place of allowances for the sale of the employee's residence; and

(b) Relieve employees transferred to OCONUS duty stations or on a TCS from the costs of maintaining a home at the previous official station during their tour of duty.

Related to 302-16—Allowance for Miscellaneous Expenses

§ 302-16.1 What is the purpose of the miscellaneous expenses allowance (MEA)?

The miscellaneous expenses allowance (MEA) is intended to help defray various costs incurred due to relocation, assignment to a temporary official station (TCS), and return to the previous official station upon completion of a TCS assignment.

§ 302-16.8 What are examples of types of costs covered by the MEA?

Miscellaneous expenses are costs associated with relocating that are not covered by other relocation benefits detailed in this chapter. Expenses allowable include but are not limited to the following, and similar, items:

(a) Fees for disconnecting and connecting utilities (such as gas, water, electricity), appliances, equipment (such as a security system or electric vehicle charging station), or conversion of appliances for operation on available utilities;

(b) Fees for cutting and fitting rugs, draperies, and curtains when they are moved from one residence to another;

(c) Deposits or fees for utilities not offset by eventual refunds;

(d) Losses that cannot be recovered by transfer or refund and are incurred due to early termination of a contract (e.g., medical, dental, private institutional care for immediate family

members with disabilities, nonrefundable education enrollment fee, real estate expenses connected with the cancellation of a contract when a new transfer prevented the employee from completing a purchase of a residence);
(e) Automobile registration, driver's license, and use taxes imposed when initially bringing privately-owned vehicles (POVs) into certain jurisdictions;
(f) Reinstalling or removing automobile parts upon vehicle reentry into the United States or entry into a foreign country, when removal or installation of those automobile parts was required by host country law;
(g) Post office box rental fee when rented to provide a constant mailing address between the time an employee departs the old residence and occupies a residence at the new official station;
(h) Rental agent fees customarily charged for securing housing in foreign countries;
(i) Reassembly, set up, and tuning of a piano moved for relocation;
(j) Pet care (for cats and dogs only), child care, or adult care for dependent parents or other adult dependents incapable of self-care at home while the employee or spouse are away on a househunting trip, or are packing or unpacking;
(k) Rental car fees while awaiting a delayed POV shipment to or from OCONUS if the transportation service provider (TSP) has not arranged for the employee's use of a rental car at TSP expense. Reimbursement may be authorized starting after the shipping company designated delivery date, shall not exceed 10 days, and does not include the days after the POV is delivered or a new POV is purchased at location. The rental car for the employee and immediate family members must be the same or comparable size or model as the POV the employee shipped;
(l) Transportation and quarantine of pets (cats and dogs only). Costs normally associated with the transportation, quarantine fees, and handling of dogs and cats. This includes pet-related costs due to air carrier rules or imposed by the law of the jurisdiction of the employee's new residence as an integral part of the process of admissions and licensing;
(m) Professional relicensing fees required by the new official station that are directly related to the employee's occupation, such as fees required to take the bar exam or teaching certification; and professional relicensing fees or business costs (including exam, continuing education courses, business license, permit, and registration fees) that are directly related to the immediate family member's occupation, when the immediate family member was licensed or certified in a profession, or owned a business, at the employee's previous official station and is required to secure or maintain a new professional license or certification, or business license or permit, to engage in that profession in a new jurisdiction because of unique licensing or certification requirements and authorities; or
(n) Specialized shipment of hazardous materials, such as lithium batteries, when Federal, state, local, and foreign country laws or carrier regulations prohibit commercial shipment of certain articles not included as part of household goods, which cannot be otherwise transported to the new official station because of shipping and transportation restrictions.

§ 302-16.10 What standard of care must I use in incurring miscellaneous expenses?

You must exercise the same care in incurring expenses that a prudent person would exercise if relocating at personal expense.

§ 302-16.49 What are examples of types of costs not covered by the MEA?

Examples of costs that are not reimbursable from the MEA are:
(a) Losses in selling or buying real and personal property and costs related to such transactions;
(b) Cost of additional insurance on household goods while in transit to the new official station or cost of loss or damage to such property;
(c) Additional costs of moving household goods caused by exceeding the maximum weight limitation;
(d) Costs of newly acquired items, such as the purchase or installation cost of new rugs or draperies;
(e) Higher income, real estate, sales, or other taxes as the result of establishing residence in the new locality;
(f) Fines imposed for traffic infractions while en route to the new official station locality;
(g) Accident insurance premiums or liability costs incurred in connection with travel to the new official station locality, or any other liability imposed upon the employee for uninsured damages caused by accidents for which the employee or their immediate family is held responsible;
(h) Losses as the result of sale or disposal of items of personal property (such as lithium batteries, gasoline, and natural gas) not considered convenient or practicable to move;
(i) Damage or loss of clothing, luggage, or other personal effects while traveling to the new official station locality;
(j) Subsistence, transportation, or mileage expenses in excess of the amounts reimbursed as per diem or other allowances under this subtitle;
(k) Medical expenses due to illness or injuries while en route to the new official station or while living in temporary quarters at Government expense under the provisions of this chapter;
(l) Costs incurred in conjunction with structural alterations (such as remodeling or modernizing of living quarters, garages or other buildings to accommodate privately-owned automobiles, appliances or equipment [e.g., a security system or electric vehicle charging station]); or replacing or repairing worn-out or defective appliances, or equipment shipped to the new location;
(m) Costs incurred in connection with preparing a residence for sale or purchase (e.g., maintenance, repairs, cleaning);
(n) Delivery charges or costs associated with newly-acquired items (such as appliances, security systems, locksmith service, or new vehicle) at the new official station for reasons of personal taste or preference and not required because of the relocation;
(o) Costs unrelated to the quarantine, transportation, and handling of pets. Additional costs for lodging for a second room or boarding fees, micro-chipping, veterinary expenses (e.g., inoculations, examinations, medical care and certification fees), routine care and grooming of pets, and purchases of crates and tags for the pets. Expenses for other animals (horses, fish, birds, reptiles, rodents, etc.) are not authorized because of their size, exotic nature, restrictions on shipping, host country restrictions, and special handling difficulties; or
(p) Costs related to obtaining a visa, passport, immigration green card, birth certificate or other acceptable evidence of birth when required for official travel to foreign locations; charges for

immunization, inoculations, other disease-preventative medical prophylaxis, including disease testing, that are required for official travel if not obtained through the agency. The expenses in this paragraph (p) may be reimbursable as part of the employee's relocation en route travel miscellaneous expenses as specified in 41 CFR 301-12.1.

§ 302-16.100 What governing policies must we establish for MEA?

For MEAs, you must establish policies and procedures governing:
(a) Who will determine whether payment for an amount in excess of the lump sum MEA is appropriate; and
(b) How you will pay a MEA in accordance with §§ 302-16.2 and 302-16.3.

Related to 302-17—Taxes on Relocation Expenses

§ 302-17.1 What special terms apply to this part?

The following definitions apply to this part:
Allowance means:
(1) Money paid to the employee to cover future expenses, such as the miscellaneous expense allowance (see part 302-16 of this chapter for information about the miscellaneous expense allowance);
(2) Money paid to the employee to cover past expenses, such as the relocation income tax allowance (RITA) under the two-year tax process described in part 302-17, subpart G; or
(3) A limit established by statute or regulation, such as the 18,000 pound net weight allowance for household goods shipments (see part 302-7 of this chapter for information about the 18,000 pound net weight allowance).
City means any unit of general local government as defined in 31 CFR 215.2(b).
Combined marginal tax rate (CMTR) means a single rate determined by combining the applicable marginal tax rates for Federal, state, and local income taxes, using the formula provided in § 302-17.40. (If you incur liability for income tax in the Commonwealth of Puerto Rico, see § 302-17.44.)
County means any unit of local general government as defined in 31 CFR 215.2(e).
Gross-up used as a noun in this part means:
(1) The process that your agency uses to estimate the additional income tax liability that you incur as a result of relocation benefits and taxes on those benefits; or
(2) The result of the gross-up process.
Note:
The gross-up allows for the fact that every reimbursement of taxes is itself taxable. Therefore, the gross-up calculates the amount an agency must reimburse an employee to cover substantially all of the income taxes incurred as the result of a relocation.
Internal Revenue Code (IRC) means Title 26 of the United States Code, which governs Federal income taxes.

Local income tax means a tax imposed by a recognized city or county tax authority that is deductible for Federal income tax purposes as a local income tax under the IRC, at 26 U.S.C. 164(a)(3). (See the definitions for the terms city and county in this section.)
Marginal tax rate (MTR) means the tax rate that applies to the last increment of taxable income after taxable relocation benefits have been added to the employee's income. Examples of how to determine the marginal tax rate using the IRS Tax Rate Schedules are published in an FTR bulletin at https://gsa.gov/ftrbulletins.

Reimbursement means money paid to you to cover expenses that you have already paid for out of your own funds.

Relocation benefits means all reimbursements and allowances that you receive, plus all direct payments that your agency makes on your behalf, in connection with your relocation.
Relocation income tax allowance (RITA) means the payment to individuals to cover the difference between the withholding tax allowance (WTA), if any, and the actual income tax liability incurred by the individual, and such individual's spouse (if filing jointly), as a result of their taxable relocation benefits authorized pursuant to this chapter. RITA is paid whenever the actual income tax liability exceeds the WTA and applies to any travel, transportation, and relocation expenses reimbursed or furnished in kind pursuant to chapter 57, subchapter II of title 5 U.S.C. and 5 U.S.C. chapter 41.

State means any one of the several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States.

State income tax means a tax imposed by a state tax authority that is deductible for Federal income tax purposes under the IRC, specifically 26 U.S.C. 164(a)(3).

Withholding tax allowance (WTA) means the amount paid to the Federal IRS by the agency as withholding of income taxes for any taxable relocation allowance, reimbursement, or direct payment to a vendor.

§ 302-17.2 Why does relocation affect personal income taxes?

When you are relocated from one permanent duty station to another, you are reimbursed by your employing agency for certain expenses. The IRC requires that you report many of these relocation benefits, including some that your agency pays on your behalf, as taxable income. When you receive taxable benefits, you must pay income tax on the amount or value of those benefits. However, 5 U.S.C. 5724b also requires that your agency reimburse you for substantially all of the additional Federal, state, and local income taxes you incur as a result of any taxable relocation benefits. A reimbursement for taxes is also a taxable benefit on which you must pay additional taxes.

§ 302-17.11 Where can I find additional information and guidance on WTA and RITA?

GSA has published additional information on WTA and RITA, including the illustrations and examples of various RITA computations, in FTR Bulletins which are updated as necessary. GSA FTR Bulletins may be found at https://gsa.gov/ftrbulletins.

§ 302-17.31 What are the procedures for calculation and payment of my RITA?

(b) The agency may require that an employee also submit amended tax information (if, for example, the employee you inadvertently did not report some of their income in the original filing), the actual tax returns, or both, as attachments to the request for recalculation.

§ 302-17.40 How does my agency calculate my CMTR?

(e) Agencies find the state and local marginal tax rates that apply to the employee (if any) by comparing the taxable income to the most current state and/or local tax tables provided by the states and localities. Every Federal payroll office and every provider of tax calculation software has these tables readily available, and the tables are also available on the Web sites of the various state and local taxing authorities.

§ 302-17.100 May we use a relocation services provider to comply with the requirements of this part?

Yes. You may use the services of relocation companies to manage all aspects of relocation, including the RITA computation. Agencies that relocate few employees or do not have the resources to manage the complexity of relocation may find that the use of relocation companies is a practical alternative. As another alternative, agencies with infrequent requirements for relocation or with inadequate internal resources may establish an interagency agreement with one or more other agencies to pool resources to provide this service.

§ 302-17.103 What are the advantages of choosing a 1-year or a 2-year RITA process?

(a) The one-year process is simpler. It reimburses the employee more quickly, and it eases the administrative burden required to calculate the RITA. Most importantly, the one-year process eliminates the possibility of charging employees for excess payments to the IRS, the so-called “negative RITA.”

(b) The two-year process provides a somewhat more accurate calculation of the additional taxes the employee incurs because it is based on his/her actual Year One taxable income and filing status rather than the taxable income and filing status from the year before.