



**PER DIEM, TRAVEL AND TRANSPORTATION
ALLOWANCE COMMITTEE**
4800 MARK CENTER DRIVE, SUITE 04J25-01
ALEXANDRIA, VA 22350-9000

20 May 2020

MEMORANDUM FOR: CIVILIAN ADVISORY PANEL

SUBJECT: CTD CAP – 17-20(E) “[GSA FTR Bulletin 20-04](#) for Relocation Income Tax and Withholding Tax Allowances”

1. Purpose: [GSA FTR Bulletin 20-04](#) implemented FY20 NDAA, Section 1114 and amended 5 U.S.C. §5724b to expand eligibility for Relocation Income Tax and Withholding Tax Allowances to new appointees (including political appointees), eligible separating employees returning from an overseas assignment, SES employees eligible for last-move-home entitlements, and those assigned under Government Employees Training Act. The legislation’s effective date is retroactive to 1 January 2018. These statutory amendments to 5 U.S.C. §5724b supersede FTR §302-17.6.
2. This revision was approved at the 19 May 2020 CAP meeting.
3. These changes are scheduled to appear in the Joint Travel Regulations, dated 1 June 2020.

CAP	Response
USA	Concur
USN	Concur
USAF	Concur
USMC	Concur
OSD	Concur

4. This revision’s effective date is retroactive to 1 January 2018.

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1049336639 Date: 2020.05.20 17:00:16
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Donna K. Haddix

Donna K. Haddix
Chief, Policy and Regulations Branch

Attachment:
Joint Travel Regulations Revisions

cc:
Civilian Board of Contract Appeals
Defense Travel Management Office
General Services Administration

Joint Travel Regulations Revisions

032602. Training outside the PDS Area

A-B. *****

Table 3-15. Allowances for Dependent and HHG Transportation		
	If...	Then...
1	a dependent and HHG are moved to the training site,	the civilian employee receives no per diem at the training site only while traveling.
2	at the training site or traveling en route,	the dependent receives no per diem.
3	a civilian employee and a dependent travel together to the training site by POV,	a monetary allowance in lieu of transportation (MALT) is payable. See Chapter 5 .
4	transportation has not started,	the authorization for dependent and HHG transportation can be changed to per diem or AEA for the civilian employee, as specified in Chapter 2 .
5	transportation has started,	the civilian employee's allowances and the Government's obligation are fixed and cannot be changed.
6	a dependent and HHG are moved to the training site,	a RIT Allowance is authorized (expires 31 December 2025).

053611. Relocation Income Tax (RIT) Allowance

A RIT allowance reimburses a civilian employee for the majority of the additional income taxes incurred from the reimbursement of taxable relocation allowances. A RIT allowance applies to Federal, state, and local income taxes incurred by the civilian employee or by the civilian employee and spouse, but not by a domestic partner. A RIT allowance does not reimburse for employment-type taxes, such as those imposed by [26 U.S.C. §21](#) (Federal Insurance Contributions Act) or [26 U.S.C. §3301-§3311](#) (Federal Unemployment Tax Act). A Withholding Tax Allowance (WTA) acts as an advance on a RIT. See [FTR §302-17](#); [FTR Bulletins 18-05](#) (May 14, 2018); [19-02](#) (November 27, 2018); and [20-04 \(23 January 2020\)](#) for details on taxable PCS allowances and computation methods.

054801. First Duty-Station Travel

Travel and transportation allowances may be authorized for appointees or student trainees assigned to a first PDS. When an AO authorizes reimbursement for travel and transportation allowances, all mandatory allowances must be reimbursed. The restrictions in [par. 054802](#) for short-distance transfers do not apply to first duty-station travel. When first duty-station travel is involved, the hiring DoD Component may or may not, at its discretion, authorize or approve payment of applicable first duty-station travel and transportation allowances in [par. 054801-D](#). Each DoD Component must ensure that a new appointee is counseled as specified in [par. 053709](#) and be informed of benefits' availability and limitations.

A-C. *****

D. Expenses Allowed and not Allowed. The following expenses are payable when the hiring DoD Component authorizes or approves travel to the first PDS at Government expense. Not all of the

Joint Travel Regulations Revisions

listed items are applicable in every situation. An advance for allowable expenses may be made to appointees or student trainees.

Table 5-98. Allowances for Travel to the First Duty Station		
1	Authorized	<ul style="list-style-type: none"> a. Travel and transportation, including per diem, for the appointee or student trainee. b. Transportation for the appointee's or student trainee's dependent. c. MALT if a POV is used. d. HHG transportation and SIT. e. NTS (extended storage) of HHG if appointed to an isolated location or assigned to a PDS OCONUS. f. Mobile home transportation. g. POV shipment when authorized by the DoD Component. h. RIT allowance (expires 31 December 2025).
2	Not Authorized	<ul style="list-style-type: none"> a. AEA is not authorized or approved for first duty-station travel. b. Lease breaking expense. See the DSSR when PCS involves a PDS OCONUS. c. A HHT. d. TQSE. e. MEA. See DSSR §241.2, if the first duty station is to a duty location in a foreign area OCONUS. f. Residence sale and purchase expense. g. Per diem for dependents. h. Relocation service.

E-F. *****

054809. Separation Travel from Duty OCONUS ([FTR §302-3, Subpart D](#))

A. *****

B. Separation Travel and Transportation Allowances. The civilian employee separating from duty OCONUS is authorized travel and transportation allowances for travel from the PDS OCONUS to the actual residence established at the time of appointment or transfer to that PDS. He or she may be authorized travel and transportation allowances for travel to an alternate destination limited to the constructed cost for travel from the PDS OCONUS to the actual residence. If the civilian employee is separated from a PDS in the same locality as the actual residence or alternate location, he or she is not authorized travel and transportation allowances. If a civilian employee does not use or loses personal travel and transportation allowances, he or she is authorized travel and transportation allowances for eligible dependents and HHG, provided the travel and transportation allowances are used within a reasonable time. The circumstances of anticipated partial or delayed travel and transportation allowances use should be in writing. [Table 5-99](#) specifies which allowances are authorized during separation.

Table 5-99. Authorized Allowances when Separating		
1	Authorized	<ul style="list-style-type: none"> a. Civilian employee's transportation and per diem. b. Dependent transportation. c. HHG transportation. d. POV shipment, including delivery and pick-up of a POV, if a POV was determined to be in the Government's interest at the PDS OCONUS. e. RIT allowance (expires 31 December 2025).
2	Not	<ul style="list-style-type: none"> a. Any excess costs.

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Table 5-99. Authorized Allowances when Separating		
	Authorized	<ul style="list-style-type: none"> b. Per diem for dependents. c. TQSE. d. MEA. e. Residence sale or purchase expenses. f. Lease-breaking expenses. g. NTS of HHG. h. Relocation services.

C-D. *****

054810. Last Move Home for a Senior Executive Service (SES) Career Appointee upon Separation from Federal Service for Retirement

A-C. *****

D. Allowable Expenses. Travel and transportation allowances are authorized for expenses incurred after the civilian employee has separated from Federal service. Any expenses incurred before actual separation are not reimbursable. When authorized or approved by the DoD Component head, travel and transportation expenses are paid for an eligible civilian employee. Allowable expenses and provisions of these regulations that apply are in [Table 5-100](#). Travel advances are not authorized. Reimbursement is limited to the policy-constructed airfare for transportation of the civilian employee and eligible dependents.

Table 5-100. Allowances for an SES Appointee's Last Move Home		
1	Allowable	<ul style="list-style-type: none"> a. SES appointee transportation expenses. b. SES appointee per diem. c. Dependent transportation. d. MALT if travel is performed by POV. e. HHG transportation and SIT. f. RIT allowance (expires 31 December 2025).
2	Not Allowable	<ul style="list-style-type: none"> a. Per diem for the civilian employee's dependents. b. TQSE. c. MEA. d. NTS of HHG. e. Real estate allowances, including lease termination. f. Relocation services.

E. *****

The following pages are the same
Policy with changes tracked

Joint Travel Regulations Revisions

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5	transportation has started,	the civilian employee's allowances and the Government's obligation are fixed and cannot be changed.
<u>6</u>	<u>a dependent and HHG are moved to the training site,</u>	<u>a RIT Allowance is authorized (expires 31 December 2025).</u>

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A RIT allowance reimburses a civilian employee for the majority of the additional income taxes incurred from the reimbursement of taxable relocation allowances. A RIT allowance applies to Federal, state, and local income taxes incurred by the civilian employee or by the civilian employee and spouse, but not by a domestic partner. A RIT allowance does not reimburse for employment-type taxes, such as those imposed by [26 U.S.C. §21](#) (Federal Insurance Contributions Act) or [26 U.S.C. §3301-§3311](#) (Federal Unemployment Tax Act). A Withholding Tax Allowance (WTA) acts as an advance on a RIT. See [FTR §302-17](#); [FTR Bulletins 18-05](#) (May 14, 2018); ~~and [FTR Bulletin 19-0219-02](#) (November 27, 2018); and [20-04 \(23 January 2020\)](#)~~ for details on taxable PCS allowances and computation methods.

Field Code Changed

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Joint Travel Regulations Revisions

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E-F. [****](#)

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B. [Separation Travel and Transportation Allowances](#). The civilian employee separating from duty OCONUS is authorized travel and transportation allowances for travel from the PDS OCONUS to the actual residence established at the time of appointment or transfer to that PDS. He or she may be authorized travel and transportation allowances for travel to an alternate destination limited to the constructed cost for travel from the PDS OCONUS to the actual residence. If the civilian employee is separated from a PDS in the same locality as the actual residence or alternate location, he or she is not authorized travel and transportation allowances. If a civilian employee does not use or loses personal travel and transportation allowances, he or she is authorized travel and transportation allowances for eligible dependents and HHG, provided the travel and transportation allowances are used within a reasonable time. The circumstances of anticipated partial or delayed travel and transportation allowances use should be in writing. [Table 5-99](#) specifies which allowances are authorized during separation.

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2	Not	a. Any excess costs.

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Table 5-99. Authorized Allowances when Separating

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054810. Last Move Home for a Senior Executive Service (SES) Career Appointee upon Separation from Federal Service for Retirement

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Table 5-100. Allowances for an SES Appointee's Last Move Home

1	Allowable	<ul style="list-style-type: none"> a. SES appointee transportation expenses. b. SES appointee per diem. c. Dependent transportation. d. MALT if travel is performed by POV. e. HHG transportation and SIT. <u>f. RIT allowance (expires 31 December 2025).</u>
2	Not Allowable	<ul style="list-style-type: none"> a. Per diem for the civilian employee's dependents. b. TQSE. c. MEA. d. NTS of HHG. e. Real estate allowances, including lease termination. f. RIT allowance. <u>fg.</u> Relocation services.

E. *****

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.

DocuSigned by:

Jessica Salmoiraghi

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Jessica Salmoiraghi

Associate Administrator

Office of Government-wide Policy