in 10 U.S.C. 1482a(c)(2) and under part 302–9 of this chapter.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Amdt. 2011–06, 76 FR 71889, Nov. 21, 2011]

§ 302–3.501 Must we establish any specific procedures for paying a relocation allowance to new appointees?

Yes, you must establish specific guidelines for paying a relocation allowance to new appointees. These guidelines must establish the:

(a) Criteria in accordance with 5 CFR part 572 on how you will determine if a new appointee is eligible for the relocation allowances authorized therein; and

(b) Procedures which will provide new appointees with information surrounding his/her benefits.

§ 302–3.502 What factors should we consider in determining whether to authorize a TCS 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 his/her travel expense reimbursements. The Income Tax Reimbursement Allowance (ITRA) allows for the reimbursement of Federal, State and local income taxes incurred as a result of an extended temporary duty assignment (see §§ 301–11.501 through 301–11.640 of this title). An employee who is authorized and performs a TCS also will be subject to income taxation of some, but not all, of his/her 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 his/her 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 his/her immediate family and/or household goods at Government expense to the location where he/she 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.

SERVICE AGREEMENTS

§ 302–3.503 Must we require employees to sign a service agreement?

Yes, you must require employees to sign a service agreement if the employee is receiving reimbursement for relocation travel expenses, except as provided in § 302–3.410 for a temporary change of station.

§ 302–3.504 What information should we include in a service agreement?

The service agreement should include, but not be limited to the following:

(a) The employee's name;

(b) The employee's effective date of transfer or appointment;

(c) The employee's actual place of residence at the time of appointment;

(d) The name of all dependents that are authorized to travel under the TA;

(e) Detailed information regarding the employee's obligation to repay funds spent on his/her relocation as a debt due the Government if the service agreement is violated;

(f) The employee's agreed period of time (see § 302–3.505) to remain in service; and

(g) The employee's signature accepting the terms of the agreement.