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Department of State Standardized Regulations - (Last updated 6/6/2010)

130 LIVING QUARTERS ALLOWANCE (Last updated 6/6/2010)

131 Definitions

131.1 "Living quarters allowance", hereinafter referred to as LQA, means a quarters allowance granted to an employee for the annual cost of suitable, adequate, living quarters for the employee and his/her family.

131.2 "Rent", exclusive of heat, light, fuel (including gas and electricity), water and taxes, means the annual cost of suitable, adequate living quarters for an employee and his/her family. When approved by the head of agency as necessary to provide such living quarters, rent may include in addition to the basic annual rental, the cost of: (1) rental of garage space for one car only for each employee, at not to exceed 25 percent of the employee's applicable maximum annual quarters allowance rate, regardless of whether such space is included with the quarters; (2) separate rental of necessary furniture at not to exceed 25 percent of the applicable maximum annual quarters allowance rate, meaning rental of necessary basic furniture and/or equipment, etc., but exclusive of pianos, other musical instruments, radios, television sets, etc. from source other than the landlord (rental of furniture and/or space from the same source under two agreements or contracts is considered to be rental of "furnished quarters"); (3) insurance on the property and/or furnishings so rented, if such insurance is required by local law to be paid by the lessee; (4) agent's fee with authorizing officer certifying that fee is customary, reasonable, and legal under local law; (5) interest on a loan from an American institution to finance "key money" paid to a landlord; (6) garbage and trash disposal; and (7) mandatory as opposed to optional fees required for maintenance of common areas ("condominium fees").

The costs of the following may not be included in rent: (1) concierge or notary's fees; (2) agent's fee except under conditions stated above; (3) telephone installation or maintenance; (4) deterioration of property or furnishings; (5) servant's wages or maintenance; (6) tips; (7) cleaning; (8) storage; (9) garden or lawn service (except as stated above); (10) servants' quarters, unless considered part of the same property with the living quarters; and (11) any other extraneous expenses not directly related to rent as such.

131.3 Scope

The LQA rates are designed to cover substantially all of the average employee's costs for rent, heat, light, fuel, gas, electricity, water, taxes levied by the local government and required by law or custom to be paid by the lessee, insurance required by local law to be paid by the lessee, and agent's fee required by law or custom to be paid by lessee.

132 Granting

132.1 Commencement of Grant

132.11 Newly Appointed or Transferred Employees

An LQA grant to a newly appointed or transferred employee shall commence at his/her post as of one of the following dates, whichever is latest:

- a. the date of employee's arrival, except: (1) when the employee's arrival at the new post is delayed because of his/her being ordered to report to another place for consultation or temporary duty and his/her family arrives at the post before the employee, the grant shall commence as of the date of arrival of his/her family, and (2) as otherwise provided in Chapter 700 with respect to Defense Department teachers;
- b. the effective date of transfer if the employee is on detail or leave at the post to which transferred;
- c. the date of entrance on duty, if recruited locally;
- d. the date following termination of a temporary lodging allowance; or
- e. the date expenses for quarters are incurred.

132.12 Employees Not Newly Appointed or Transferred Who Become Eligible

The LQA grant to any employee not paid under Section 132.11 shall commence as of the latest of the following dates:

- a. the date the employee ceases to occupy quarters for which he/she pays no rent;
- b. the date the employee returns to his/her post after an absence during which his/her temporary lodging or LQA has been terminated (Section 132.4);
- c. the date the employee's family returns if they precede him/her to the post after such absence; or
- d. the date expenses for quarters are incurred.

132.2 Continuance of Grant

The LQA grant may continue, provided the employee maintains and pays for his/her quarters at the post:

- a. not to exceed 60 calendar days during authorized leave with pay, plus transit time when leave is taken in the United States;

b. when the head of agency determines that continuance of the grant would be in the public interest:

(1) up to an additional 60 calendar days beyond the 60 day period specified in Section 132.2a above;

(2) while the employee is in non-pay status not in excess of 30 calendar days at any one time. For periods in non-pay status longer than 30 calendar days, payment shall be suspended as of the day the employee enters such status, and payment is not to be made for any part of such period; or

(3) not to exceed 60 calendar days (or the end of the current school year when the employee is receiving an education allowance for a member of family) when the employee dies and unavoidable expense continues to be incurred for lease termination or family housing prior to the family's final departure from the post;

c. while the employee is temporarily absent from the post under orders;

d. at the "with family" rate for a period not to exceed 6 months while all members of the family of an employee are temporarily absent from the post. (See Section 132.3e.)

132.3 Revision of Grant

LQA grants for all employees shall be appropriately revised, if required, as of the following dates:

a. the effective date of an authorized change in the classification of the post;

b. the first day of the pay period next following the date of any of the following occurrences (or the date of the occurrence, if such falls on the beginning of a pay period):

(1) a change in the personnel classification or position of the employee affecting the amount of any LQA payable (Section 134.14);

(2) a change in the employee's family status; or

(3) a determination by the head of agency under Section 134.2;

c. the first consecutive calendar day following commencement of a "with family" LQA grant authorized under Section 134.11, when the family has not arrived at the post;

d. the date of any change in the salary (Section 0401) of an employee who is advanced temporarily from a subordinate position to a position in charge of the operations of an agency at a post, except that no employee other than those specified in Section 135.2 as eligible for quarters allowance in group 1 may be granted the allowance prescribed for that group in Section 135.5; or

e. the first day following 6 months absence from the post of all members of an employee's family (Section 132.2d). Revision shall be from the "with family" rate to the "without family" rate.

132.4 Termination of Grant

132.41 Transfer

When an employee is transferred (Section 040q) from a post at which an LQA has been granted, such grant shall terminate as of the following dates, whichever is earliest:

a. the date immediately preceding the effective date of the employee's pre-departure temporary quarters subsistence allowance grant, except that the agency head or designee may continue LQA for a period of five days following commencement of the temporary quarters subsistence allowance grant if it determines that it is necessary for the employee to vacate existing quarters for such period in order to meet lease requirements for cleaning and repair;

b. the date the employee commences travel under the transfer, or combined leave and transfer order; or

c. the effective date of transfer, when no travel by the employee under the transfer is involved.

132.42 Separation

When an employee is separated (Section 040r) while assigned to a post at which an LQA has been granted, such grant shall terminate at the end of the last day of his/her employment (except as provided in Section 132.2b(3)).

132.43 Occupancy of Government Quarters

When an employee to whom an LQA has been granted is furnished Government-owned or -leased quarters at no personal cost, the grant shall terminate on the date immediately preceding that on which the Government quarters are made available to him/her, unless he/she occupies Government-owned or leased quarters only during the temporary absence of the regular occupant and at the same time is obliged to maintain his/her own quarters.

132.44 Cessation of Payment for Quarters

When an employee to whom an LQA has been granted ceases to maintain and pay for quarters at post, the grant shall terminate on the date expenditure for quarters ceases, unless it would terminate prior to such date under the provisions of any other section.

132.5 Costs

Employees shall submit written estimates of costs, or actual costs if they are known, to the head of agency on Section 960 LQA Annual/Interim Expenditures Worksheet attached to the SF-1190, Foreign Allowances Application, Grant, and Report, whenever an LQA grant commences. Thereafter, each employee shall show the actual annual expenses of rent and utilities, supported by receipts or other satisfactory evidence, whenever requested by the officer

designated to grant allowances, the Department of State, or other responsible authority. (See also Sections 077.2 and 134.16.)

133 NOT CURRENTLY USED

134 Determination of Rate

Except as otherwise prescribed in Sections 134, 136 and 137, an employee shall receive an allowance for allowable quarters costs for items listed in Sections 131.2 and 131.3 or the maximum rate for the post (Section 040h) indicated in Sections 920 and 135, whichever is less, unless the rate is revised by administrative action in accordance with Sections 134.2, 136 and 137.

134.1 Special Rules

134.11 "With Family" Rate Pending Arrival of Family

At the discretion of the head of agency, the appropriate "with family" rate of living quarters allowance may be granted to an employee who, in anticipation of the arrival of his/her family, incurs expenses for family type quarters. If the family does not arrive at the post within 60 consecutive calendar days after commencement of the grant, it shall be revised in accordance with Section 132.3c.

134.12 "With Family" Rate When dependent Away at School or College

Despite the provisions of Sections 132.3e and 134.11, a dependent as defined in Section 040m (2) and (4), temporarily absent from the post owing to attendance at school or college may be considered as residing at the post in determining the appropriate "with family" rate of living quarters allowance.

134.13 Married Couples Rates

The following rates of quarters allowances may be granted to married couples residing together:

- a. if both are civilian employees of the United States Government eligible for a quarters allowance (Sections 031.11 and 031.12) and have members of family (Section 040m), one employee at his/her option may receive the basic "with family" allowance rate plus increments for additional family members. The other employee may receive the "without family" rate. In determining the increment for additional family members both employees should be excluded. Where the couple has no additional members of family each employee may be granted the "without family" rate;
- b. if only one of the married couple is eligible for a quarters allowance from the United States Government, the "with family" rate may be granted to that employee plus increments for additional members of the family;
- c. an employee eligible for a quarters allowance who is married to, and residing at the post with, a member of the military service of the United States may be granted the "without family" rate if the spouse in the military service draws a quarters allowance. If the spouse in the military draws no rent allowance, the employee may be granted the "with family" rate plus increments for additional members of the family, except that no payment shall be made to the spouse of a member of the military service if the spouse resides with the member of the military service in Government-owned or leased quarters.

*134.14 Employee Downgraded in Position to Lower Quarters Groups (interim eff. 6/6/10 TL:SR-735)

- a. Despite the provisions of Section 132.3b(1), an employee who is downgraded in position level so as to fall in a lower quarters group (Section 135.2), but whose grade is retained temporarily at the previous grade level under 5 U.S.C. 5362 shall be granted the living quarters allowance applicable for his/her retained grade and quarters group, subject to other pertinent provisions of these regulations. This provision is effective as long as the employee remains on grade retention.
- b. Despite the provisions of Section 132.3b(1), an employee whose conversion from the existing GS, GG, WG, WL, WS or DODDS TP personnel classification system to a National Security Personnel System (NSPS) or Defense Civilian Intelligence Personnel System (DCIPS) Pay Band causes him/her to fall into a lower quarters group (Section 135.2), may remain in the higher quarters group as long as he/she remains in the position occupied at the time of conversion or is involuntarily moved to another position, where the reassignment has not been directed for cause or is at the personal request of the employee.
- *c. Despite the provisions of Section 132.3b(1), an employee whose conversion from the existing National Security Personnel System (NSPS) to the General Schedule or other personnel system as a result of termination of NSPS causes him/her to fall into a lower quarters group (Section 135.2) may remain in the higher quarters group as long as he/she remains in the position occupied at the time of conversion or is involuntarily moved to another position, where the reassignment has not been directed for cause and is not at the personal request of the employee. (interim eff. 6/6/10 TL:SR-735)

134.15 Agent Fee

If an agent fee incurred under the specific conditions cited in Section 131 has been advanced or is to be reimbursed to an employee, reimbursement or repayment by the employee within the maximum rate must be prorated over the period covered by the employee's lease.

134.16 Excessive Fluctuation in Utilities or Other Quarters Costs

In situations where excessive fluctuations in utilities or other allowable quarters costs are occurring and initial estimates for them are difficult, the annual LQA for the post, as indicated in Sections 920 and 135 may be granted in even amounts throughout an annual period up to but not including the last pay period thereof. At that time, or at the termination of LQA grant at any other time, the employee's actual annual expenses for utilities and other allowable quarters costs shall be reconciled with the amount granted and, for the last pay

period, the payment to the employee shall be adjusted to provide for additional LQA payment within the maximum rate or for recovery of any overpayment during the annual period. If more than one conversion rate has been used during the period, an average conversion rate shall be used for the reconciliation. The annual period shall be bounded either by the end of the reporting period specified in Sections 077.2 and 920 or by the end of the calendar year, whichever is consistent with agency procedures.

To prevent excessive in-pocket amounts during the annual period, the payments to employee shall not exceed 125 percent of employee's initial estimates for annual allowable expenses within the maximum rate.

A repayment agreement shall be executed by the employee to enable recovery of unjustified disbursements during the annual period.

134.2 Responsibility of Head of Agency

a. Regardless of any other provisions of these regulations, the head of agency (Section 040e) is required to authorize payment of less than the full amount of the LQA or to withhold payment altogether:

- (1) when the employee lets, sublets, or otherwise contracts for the use of his/her quarters or any part thereof (including related services, furniture, or other goods), or
- (2) when there is a significant devaluation in the rate of exchange.

The head of agency shall take such steps as he/she may determine necessary, including authorized inspection of quarters, in the implementation of this provision.

b. At posts where there is established a duly constituted U.S. rental advisory board (or committee), any employee under jurisdiction of such board shall receive as LQA an amount (within the rate prescribed for the employee by Sections 920 and 135) which the board may determine to be proper under the circumstances, regardless of any other provision of these regulations.

135 Payment

135.1 Rates of Payment

The rate of payment of the various quarters allowances is obtained by applying the appropriate allowance classification of the post in Section 920 to Sections 135.2 through 135.5. Rates so obtained for the living quarters allowance are maximum and the employee receives either the maximum rate or the amount of allowable expenses, whichever is lower.

LQA shall be computed and paid at annual rates, divided by the number of days in the calendar year to obtain a daily rate (counting 1/2 cent and over as a whole cent); multiplying the daily rate by 14 to obtain a biweekly rate; and multiplying the daily rate by the number of days involved to obtain the rate for any other period. The rate for any split pay period at the end of a calendar year shall be computed at the daily rate applicable on the first day of that pay period. A revision in the rate of payment for the last pay period of an annual period or at termination of LQA may be required under provision of Section 134.16.

***135.2 Quarters Allowance Groups** (interim eff. 6/6/10 TL:SR-735)

The tables below are groupings by personnel classification of the various categories of Government personnel who are eligible for living quarters allowances, viz., Chiefs of Mission as defined in 22 U.S.C. 3902 and Career Ambassadors as defined in 22 U.S.C. 3903; Foreign Service (FS); General Schedule employees (GS); Department of Defense National Security Personnel System employees (NSPS); Defense Civilian Intelligence Personnel System employees (DCIPS); Agency for International Development employees (AID-FC); and wage board employees and teachers of the Departments of the Air Force, Army, and Navy.

(The grade equivalents in the following tables are for purposes of establishing LQA rates only.)

QUARTERS GROUPS	PERSONNEL CLASSIFICATIONS					
	1	Chief of Mission (22 U.S.C 802 (9); Career Ambassador (22 U.S.C 867)				
2	FS	GS	AID(FC)	Department of Defense		
	SFS & 1-2	SES/SL/ST & 14-15	11-14	Wage Grade WG WL WS	DoDDS TP	
3	3-5	10-13	7-10	14-15 12-15 11-19	*Schedule C Bachelor's Degree Step 4 and above and schedules D-F and K-P	
4	6-9	1-9	1-6	1-13 1-11 1-10	Schedule C Bachelor's Degree Step 1-3	

Department of Defense National Security Personnel System (NSPS)			
Pay Schedules	Quarters Group 2	Quarters Group 3	Quarters Group 4
STANDARD CAREER GROUP			
Professional/Analytical (YA)	Pay Band 3	Pay Band 2	Pay Band 1
Technical Support (YB)		Pay Band 3	Pay Band 1, Pay Band 2
Supervisor/Manager (YC)	Pay Band 3	Pay Band 2	Pay Band 1
Student (YP)			Pay Band 1
SCIENTIFIC & ENGINEERING			
Professional (YD)	Pay Band 3	Pay Band 2	Pay Band 1
Technician/Support (YE)		Pay Band 3, Pay Band 4	Pay Band 1, Pay Band 2
Supervisor/Manager (YF)	Pay Band 3	Pay Band 2	Pay Band 1

INVESTIGATIVE AND PROTECTIVE SERVICES			
Investigative (YK)	Pay Band 3	Pay Band 2	Pay Band 1
Fire Protection (YL)		Pay Band 3, Pay Band 4	Pay Band 1, Pay Band 2
Police/Security Guard (YM)			Pay Band 1, Pay Band 2
Supervisor/Manager (YN)	Pay Band 3	Pay Band 2	Pay Band 1
MEDICAL			
Physician/Dentist (YG)	Pay Band 2, Pay Band 3		
Professional (YH)	Pay Band 3	Pay Band 2	Pay Band 1
Technician/Support (YI)		Pay Band 3	Pay Band 1, Pay Band 2
Supervisor/Manager (YJ)	Pay Band 3, Pay Band 4	Pay Band 2	Pay Band 1

Employees in this Pay Band who have 15 years of U.S. Government service may be assigned to Quarters Group 3 at the discretion of the DoD Component.

Defense Civilian Intelligence Personnel System (DCIPS)	
PAY PLAN AND BAND	QUARTERS GROUP
IE (DISES), IP (DISL), IA Bands 4 & 5	2
IA Band 3	3
IA Bands 1 & 2	4

135.3 Using Section 920 (Example)

The living quarters allowance (LQA) classifications shown in Section 920 are the primary classification for employees with family (WF) who have only one member of family (Section 040m) and for employees without family (WOF). (eff. 5/1/05 TL:SR 650)

EXAMPLE

A grade GS-9 employee with only one family member would be in quarters group 4 "WF" (Section 135.2). The employee is classified as follows in column 3, Section 920:

Family Status	2	3	4
WF	16000	15000	14000
WOF	15000	14000	13000

such an employee would be eligible for a maximum rate of \$14,000 per annum.

135.4 Rates for Employees with More than One Family Member

An employee with more than one member of family (Section 040m) at the post is eligible to receive an allowance in addition to the amount indicated by the LQA classification for "WF" in column 2, Section 920 for his/her quarters group. The applicable amount shown below:

Members of Family (excluding the employee)	Additional Percentage of LQA
2 - 3	10%
4 - 5	20%
6 or more	30%

The additional amounts of LQA provided by this Section shall not be added to the allowance rate provided in Section 135.5b.

135.5 Rates for Employees with Several Family Members and For Certain Other Employees

a. Employees in Quarters Group 1

Employees in quarters group 1 are authorized to be granted up to a maximum of twice the primary "WF" rate prescribed for quarters group 2 for their post if without family or with only one family member, or the otherwise applicable rate for employees with more than one family member.

b. Rates for Deputy Chiefs and Counselors of Diplomatic Missions and Principal Officers of Consular Establishments and Others

Deputy chiefs of diplomatic missions, counselors of diplomatic missions and principal officers of consular establishments may be reimbursed for their allowable quarters costs up to 50 percent more than the rate prescribed for group 2 for the primary "WF" rate for their posts when, in the opinion of the chief of mission, the otherwise applicable LQA rate is insufficient to obtain quarters suitable for providing official entertainment required by the position occupied by such officer. The additional amounts of LQA provided in Section 135.4 shall not be added to this allowance rate.

The deputy chief of mission, the principal officer of a consular establishment, and the officer at a consular establishment (excluding AID, unless specifically designated) who is the highest ranking diplomatic officer eligible to take charge in the absence of the chief of mission and the deputy chief of mission are eligible for the primary quarters group 2 "WF" classification for living quarters allowance regardless of their personnel classification or family status but are eligible for additional LQA in accordance with Section 135.4 if warranted by family size.

c. Rates for Senior Employees in Group 4

Rates for employees in quarters group 4 (who are FS 6-8, GS 7-9, AID(FC) 4-6, WG 12-13, WL 10-11 and primary inspectors (Immigrant Inspectors) of the Immigration and Naturalization Service who have 15 years of U.S. Government service may be placed in quarters group 3 at the discretion of head of agency.

136 Personally Owned Quarters

a. When quarters occupied by an employee are owned by the employee or the spouse, or both, an amount up to

percent of original purchase price (converted to U.S. dollars at original exchange rate) of such quarters shall be considered the annual rate of his/her estimated expenses for rent. Only the expenses for heat, light, fuel, (including gas and electricity), water, garbage and trash disposal and in rare cases land rent, may be added to determine the amount of the employee's quarters allowance in accordance with Section 134. The amount of the rental portion of the allowance (up to 10 percent of purchase price) is limited to a period not to exceed ten years at which time the employee will be entitled only to above utility expenses, garbage and trash disposal, plus land rent.

b. The following transactions shall not be considered to meet the intent of these regulations so as to warrant payment of the rental portion of living quarters allowance beyond the initial ten year period specified in Part a:

(1) sale or gift of quarters owned by the employee or the spouse, or both with employee remaining in the same quarters, or

(2) the purchase or exchange and move to other quarters in daily commuting distance of the same post.

Payment for utilities and (if necessary) land rent may be continued beyond the 10 year period. The head of agency may allow the payment of the rental portion of the allowance beyond the 10 year period in unusual circumstances and in the best interest of the government. (eff. 5/1/05 TL:SR 650)

137 Allowance for Necessary and Reasonable Initial Repairs, Alterations, and Improvements Under Unusual Circumstances

The purpose of this allowance is to cover, under unusual circumstances, the cost of initial repairs, alterations and improvements which are incurred within 3 months of a rental agreement and which are basic to making the employee's first permanent residence at a post habitable. Before granting the initial repair allowance, the head of agency shall determine that: (1) the lessor will not assume the cost of the repairs; (2) the quarters are below reasonable standards of health, safety or comfort; and (3) no adequate rental quarters are known to be available locally at a rate which, when combined with estimated utility and tax costs, is within the maximum authorized allowance for the employee concerned.

The initial repair allowance which must be approved administratively in advance might include reimbursement for such housing related expenses as: (a) repairs required to eliminate leakage or drafts, to fortify or replace structural components, or to replace defective plumbing, wiring, heating, lighting or other essential facilities or equipment; (b) alterations to provide improved access or ventilation and light, such as new or additional windows and doors; and (c) improvements such as plumbing, heating, or lighting fixtures and equipment, screening, pest control, insulation where required by extreme climate, painting where required for hygienic reasons or in connection with authorized repairs or alterations, and other changes to make the quarters reasonably habitable. The allowance is not designed to cover redecoration, repair, renovation or replacement of furnishings, erection of additions to any structure or of garages, or the removal of garages or other outbuildings or improvement of grounds.

The total initial repairs allowance shall be the estimated cost of allowable items, not to exceed the difference between the quarters allowance to which the employee would actually be entitled for 2 years, and his/her maximum authorized allowance for 2 years. No employee shall be granted more than one initial repairs allowance during a period of continuous assignment to a post.

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