

**BY ORDER OF THE COMMANDER  
UNITED STATES AIR FORCES IN  
EUROPE (USAFE)**

**UNITED STATES AIR FORCES IN EUROPE  
INSTRUCTION 36-705**

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**Personnel**



**BENEFITS AND ALLOWANCES FOR US  
EMPLOYEES IN USAFE**

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This instruction implements AFPD 36-7, *Employee and Labor-Relations Management*. It specifies terms and conditions for determination of eligibility for overseas allowances and benefits, as well as travel and transportation entitlements and benefits for US employees on appropriated-fund positions within USAFE. This publication does not apply to Air Force Reserve Command (AFRC) Units or the Air National Guard (ANG). This instruction may not be supplemented at any level. Refer recommended changes and questions to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual 33-363 (AFMAN), *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) located in Air Force Records Information Management System (AFRIMS) at Air Force Portal: <https://www.my.af.mil/gcss-af61a/afirms/afirms/rims.cfm>

**SUMMARY OF CHANGES**

**This document is substantially revised and must be completely reviewed.** This instruction updates organization names. It revises the provisions on the payment of Living Quarters Allowance (LQA) for Personally Owned Quarters (POQ), the granting of LQA to locally hired employees including former contractor employees and prescribes the utilization of the Utility Tax Avoidance Program (UTAP). It modifies the conditions of premature release of employees from their service agreements and clarifies the earning rates of Home Leave (HL).

**1. General.** This instruction specifies the requirements and conditions for U.S. civilian employees' eligibility for overseas allowances and transportation benefits. It applies to U.S. civilian employees serviced by USAFE Civilian Personnel Staffs (CPS) at foreign overseas duty locations. Its provisions are based on confirmed interpretations of the precedent regulations as cited below, as well as on past practice. It does not limit the Civilian Personnel Officers' (CPO) primary authority and responsibility for rendering decisions on overseas benefits and allowances.

## **2. Authority and Decision Procedures**

2.1. Authority. AFPD 36-1, *General Civilian Personnel Provisions and Authorities*, and AFI 36-102, *Basic Authority and Responsibility for Civilian Personnel Management and Administration*, delegate the authority to grant allowances or travel and transportation benefits to the official with appointing authority (usually the Wing or Installation Commander). The CPO, when designated in writing to act for the Commander, renders final decisions on matters covered by this instruction.

2.2. Procedures. Employees will address requests for overseas allowances and transportation benefits to the responsible CPS for determination. If a request is denied, the review process within the Air Force is complete. The CPO will inform the employee accordingly and provide advice on the proper appeal procedures (see para.5).

## **3. Overseas Allowances**

3.1. General Eligibility Requirements (Department of State Standardized Regulations (DSSR) 031.11., 031.12 a.). To be eligible for overseas allowances the actual place of residence of employees recruited outside the United States shall be fairly attributable to their employment by the U.S. Government, meaning that the employment is the primary reason for their residing overseas. In accordance with (IAW) Office of Personnel Management (OPM) guidance, same-sex domestic partners and their children are eligible for overseas allowances and differentials.

3.2. Living Quarters Allowance (DSSR 130, 131). LQA is a quarters allowance granted to an employee for the annual cost of suitable, adequate living quarters for the employee and his/her family. It is designed to cover substantially all of the average employee's costs for rent, utilities, and other mandatory costs for occupying living quarters.

3.2.1. Purpose. DoDI 1400.25 - V1250.4.c. states that overseas allowances are *"intended to be recruitment incentives for U.S. citizen civilian employees living in the United States to accept Federal employment in a foreign area. If a person is already living in the foreign area, that inducement is normally unnecessary"*. In addition, DoDI 1400.25 - V1250 specifies that overseas allowances are discretionary, not entitlements. The authorization is contingent on both personal and position eligibility. OPM adjudication repeatedly confirmed that the statutory and regulatory languages are permissive and give agency heads considerable discretion whether to grant LQA to employees. Likewise, the United States Court of Federal Claims has ruled that an employee is not owed the allowance simply because he or she meets the eligibility requirements.

3.2.2. Position Eligibility. The grade of a position is not the sole factor in determining if a position qualifies for LQA. Rather, the scope of recruitment, the authorization of attendant PCS entitlements, and whether LQA is considered a necessary incentive for the

filling of the position are decisive factors in the determination. The CPO has the authority to make final determinations on a position's eligibility for LQA.

3.2.3. Personal Eligibility of Locally Hired Employees. IAW the Glossary to DoDI 1400.25 - V1250, "***locally-hired. Refers to the country in which the foreign post is located.***" Therefore, LQA will normally not be approved for an individual currently residing in the country where the position being filled is located. Likewise, individuals who do not permanently and physically reside in the U.S. at the time of application for and acceptance of the overseas position do not meet U.S. hire prerequisites. The CPO will determine whether LQA is necessary as a recruitment incentive and then determine whether the applicant is eligible to receive LQA. If LQA is unnecessary for recruitment purposes, it will be denied and there will be no further review or determination. Should it be determined that LQA is necessary, the applicant's eligibility will be determined IAW the DSSR and DoDI 1400.25 - V1250. This determination has precedence, i.e. if an employee is found to be personally ineligible all other considerations are irrelevant. For positions announced locally or if PCS costs are not authorized LQA must not be authorized.

3.2.3.1. IAW DoDI 1400.25 - V1250, Encl.2, 2.a., former military or civilian members within the first year of separation from military or civilian service overseas must meet the criteria of DSSR 031.12 a. **and** either 031.12 b. **or** 031.12 c. to be eligible for LQA. To meet the prerequisite of "substantially continuous employment" a prospective employee must not have used part or all of his/her return transportation entitlement, or be beyond 1 year after the date of separation. The one-year time limit is definitive and may not be modified by any possible extension provisions for using return transportation entitlements as contained in the pertinent travel regulations. Additionally, the separation from military or civilian service must take place overseas; separation in the United States and subsequent return to the overseas at personal expense interrupts the overseas service and rules out applicability of DoDI 1400.25 - V1250, Encl.2, 2.a. The 1-year window also applies for non-appropriated-fund employees transferring to an appropriated-fund position that qualifies for the payment of LQA.

3.2.3.1.1. Pursuant OPM adjudication the "substantially continuous employment" under DSSR 031.12 b is restricted to **one** employer only who recruited the employee in the United States and expressly provided for the return transportation. Multiple prior employment relations or military service followed by employment as a contractor e.g. voids LQA eligibility.

3.2.3.1.2. IAW DSSR 031.12 c. and DoDI 1400.25 - V1250, Encl.2, 2.g., LQA may be granted to an employee recruited outside the United States if the assignment entails a move "***within or between countries***" and management requires the employee to move to another area as a "***condition of employment***" which " ... *if not fulfilled, results in failure to gain or retain employment*" (Encl.2, 2.g.). Likewise, only an employee whose move was requested by management may qualify for LQA under DSSR 031.12 c. The move must be positively identified as a management-generated action pursuant Encl.2, 2.g. (1) – (3).

3.2.3.2. DoDI 1400.25 - V1250, Encl.2, 2.c. lists circumstances permitting the requirements of DSSR 031.12 b. to be waived for humanitarian reasons. When an employee meets one of the conditions identified in this paragraph neither the position-based nor the personal eligibility criteria are applicable and the CPO may grant payment of LQA for up to one year under humanitarian considerations. Employees have to provide adequate documentation certifying the loss of family member status or that related legal action was initiated. CPSs will ensure that the former sponsor's LQA payment is reduced commensurately before granting the allowance. Employees on family member appointments who are subject to termination of employment 60 calendar days after the loss of family member status or due to the sponsor's departure are not eligible for LQA under these provisions.

3.2.4. Part-Time Employment (DSSR 031.5). Payment of LQA is not authorized for part-time employees. Payment of LQA will be suspended for employees transferring from full-time to part-time status. Upon return to full-time status, without a break in service, the LQA payment will be resumed since the employee maintains "substantially continuous employment."

3.2.5. Position Changes. For locally hired employees receiving LQA as a result of a waiver who move to other positions within the command the continuation of payment is contingent upon the fulfillment of the requirements of the DSSR and DoDI 1400.25 - V1250.

3.2.6. Quarters Groups. IAW DSSR 134.14 b., employees on positions that are converted to a different personnel classification system and who are therefore assigned a lower LQA quarters group may remain in the previously held quarters group as long as they stay in the same position or must change positions for reasons beyond their control. Per DSSR 135.5 c., employees in quarters group 4 may be placed in quarters group 3 if they have more than 15 years of US Government Federal civilian service.

3.2.7. Personally Owned Quarters. In compliance with DSSR 136 and DoDI 1400.25 - V1250, Encl. 2, 2.1., employees who purchase a home while serving in the overseas area may receive an annual rental portion of LQA equal to 10 percent of the purchase price or the appraised value of the POQ at the time of the purchase at the rate of exchange valid at the time of the purchase, for a maximum of 10 years. After 10 years, the Government has essentially reimbursed the employee for the full cost of the POQ and no further rental portion is appropriate. An employee who at his own choice sells the POQ before expiration of the ten-year period and moves into rental quarters receives through the sale more or less the amount of money that the Government would have paid over ten years to provide him an adequate residence. Therefore, employees who sold their POQ and moved into rental quarters or into other POQ will not be paid LQA beyond ten years.

3.2.8. Reconciliation. LQA payments will be reconciled against the actual quarters expenses after completion of the first year in quarters, upon occupancy of new quarters after the first year, upon any change of the determining factors (such as number of family members), or when specifically requested by the agency or employee. For employees married to military members, the CPSs will ensure that the full payment amounts of the military quarters allowances are considered in the revised LQA amount determination.

3.2.9. Utility Tax Avoidance Program. Per DoDI 1400.25 - V1250, Encl. 2.k., employees have to utilize the UTAP to receive the utilities portion of LQA at installations where the subsistence providers have contracts with the local tax relief office. Attendant fees are reimbursable through the miscellaneous expense allowance only.

3.3. Temporary Quarters Subsistence Allowance (TQSA) (DSSR 120). The purpose of TQSA is to substantially reimburse an employee for average costs for the occupation of transient-type quarters immediately after the first arrival at or prior to the final departure from the permanent duty station. IAW DSSR 122.1, these quarters shall be at the post of assignment; hence, TQSA shall not be authorized if the employee chooses to occupy quarters outside the local area for personal reasons or leisure purposes. IAW DoDI 1400.25 - V1250, 4.e., TQSA is not intended to provide ostentatious housing or extravagant meals. The CPS will determine whether the quarters meet the above requirements and if claimed subsistence expenses are reasonable based on local circumstances.

3.4. Post Allowance (PA) (DSSR 220). PA is the cost-of-living allowance authorized for full-time employees officially stationed at a post in a foreign area. Part-time employees are not eligible for PA. Like other overseas allowances, its receipt shall be fairly attributable to the employee's employment by the U.S. Government. Therefore, it may also be granted to locally-hired employees even though they do not qualify for other overseas allowances.

3.5. Separate Maintenance Allowance (SMA) (DSSR 260). If an employee maintains eligible family members at a place other than the foreign post of assignment, SMA may be granted to assist the employee in defraying the costs for keeping an additional household. Prospective employees hired from the continental United States (CONUS) should be advised, well in advance of an actual move to the new Permanent Duty Station (PDS), of the options for requesting SMA for special personal needs or hardships (Voluntary SMA). This is to ensure that such requests are submitted through the owning CPS to the gaining CPS for review and determination before the employee departs for USAFE. IAW the 06 November 1997 AFPOA/DPM guidance memorandum, voluntary SMA may be granted for an employee's initial tour only. Employees who acquire dependents after entry on duty at the overseas PDS are not eligible for voluntary SMA since these individuals were not entitled to official transportation to the overseas duty location at the employee's date of assignment.

3.6. Post Differential (DSSR 500). The purpose of Post Differential is to provide additional compensation to an employee for service at a duty station where the living and environmental conditions are significantly harder than in the CONUS. IAW DSSR 031.3, only employees who are eligible for LQA may receive Post Differential.

#### **4. Travel, Transportation, and Leave**

4.1. Overseas Service Obligations (AFMAN 36-204 / JTR, Ch.5). IAW AFMAN 36-204, Para. 3.1.3., employees will sign Overseas Employment Agreements that specify tours of duty and overseas rotation requirements. In addition, the JTR requires that employees sign a DD Form 1617, *Service Agreement*, which defines the periods of service they have to complete to become eligible for travel benefits such as permanent duty travel, return travel, and Renewal Agreement Travel (RAT).

4.1.1. Early Release from Service Obligations. Para.C.5574 of the JTR specifies circumstances that warrant an early release from service and overseas employment

agreements. These provisions do not apply to employees who apply and are selected for Air Force positions after having completed 12 months of service at the outside the continental United States (OCONUS) duty station. IAW guidance by Air Staff, such employees are to be released promptly. However, the losing organization shall not authorize payment of PCS costs under these circumstances. The gaining activity or the career program is responsible for covering these expenses. The completion of the tour of duty specified in the DD 1617 is required only to become eligible for return transportation to the home of record or, if applicable, to exercise return rights. Early releases shall not be initiated by Management to avoid disciplinary measures.

4.1.2. Employees who completed their overseas service obligation or are within 2 months of the end of their tour will – upon request – be paid PCS expenses for their imminent move to the CONUS, or to another OCONUS location. This includes moves in conjunction with the exercise of return rights and reassignment/promotion to another duty location. The installation will also pay PCS expenses associated with moves under the Priority Placement Program, Reduction-in-Force placement, Base Realignment/Closure, and other situations as specified in the JTR.

4.1.3. Employees who wish to serve a consecutive overseas tour and use the RAT entitlement will sign a DD Form 1617/Renewal Agreement. IAW JTR, C.5586 C., employees who fail to complete 12 months of service after return from RAT are to be held liable for the associated expenses.

4.1.4. IAW AFMAN 36-204, Para.3.1. et seq., the CPS shall properly advise employees of their service requirements and transportation entitlements and have them acknowledge these conditions in writing.

4.1.5. Release from Service Agreement upon Retirement. The Comptroller General has ruled that employees who retire voluntarily upon satisfying the age and service requirements for optional retirement may be released from their period of service requirement since such circumstances are considered beyond the control of employee thus justifying the payment of associated PCS costs.

4.2. Dependent Student Travel / Educational Travel (JTR C5120, DSSR 280). This travel benefit may only be authorized for children who are included on the employees' orders as dependents. Individuals not included on their parents' orders because they have reached 21 years of age at the time the sponsor PCSs to the overseas area and thus do not meet the definition of dependent are not eligible even though such travel may be exercised beyond the twenty-first birthday.

4.3. Environmental and Morale Leave (EML) (JTR / EUCOM Directive 35-2). EML is a leave and travel benefit that may be granted to employees and dependents stationed at overseas duty locations where environmental conditions warrant additional travel to and leave at more desirable locations at periodic intervals. It may not be used to undergo elective medical treatment in the CONUS or for the early return of dependents. EML travel within 6 months after arrival or 6 months before final departure from the duty location is prohibited unless HQ USAFE/A1KKC grants a waiver for cogent humanitarian / personal reasons. Requests will include a substantiated justification, projected travel dates, information on previous EML travel, and the local commanders' endorsement. Waivers requested solely for

convenience or for using the maximum number of EML trips will not be considered; EML is a benefit, not an entitlement.

4.4. Home Leave (HL) (5 CFR §630.601 / AFI 36-815 / AFI 36-202). HL is leave earned by employees serving abroad who qualify for the accumulation of a maximum of 45 days of annual leave. It is earned at rates of 5, 10, or 15 days based on the criteria in 5 CFR § 630.604. Employees with mobility agreements concluded under AFI 36-202 earn 15 days of HL annually. HL is to be used only in the CONUS or non-foreign OCONUS areas. Before becoming eligible to use it, employees must complete a substantial period of service, i.e. 24 months abroad. This is a one-time requirement and employees on subsequent overseas tours may use HL immediately after reporting to the overseas duty station, in accordance with the below provisions.

4.4.1. Banked Home Leave. IAW AFI 36-815, Ch.12.2., the use of HL that was not granted during a previous period of service abroad requires the completion of a further substantial period of service abroad. This period may not be less than the tour of duty prescribed for the employee's post of assignment unless this requirement is waived on a case-by-case basis IAW the following.

4.4.2. Waivers for Banked Home Leave. Employees wishing to use banked HL prematurely will submit a written request with full rationale to the servicing CPS. Installation Commanders have the authority to approve premature use of banked HL for humanitarian or compassionate reasons. All other requests to use banked HL will be submitted through the CPS to HQ USAFE/A1KKC for determination on a case-by-case basis.

4.5. Leave-free Travel Time (5 U.S.C. §6303 (d)). Employees who are eligible to accumulate 45 days of annual leave may, upon request, travel in a duty status from their overseas duty station to go on leave at their home of record or another authorized destination in the United States or its territories and possessions and vice versa. Requests for Leave-free Travel Time are not limited to RAT. However, it may be granted only once during a prescribed tour of duty, i.e. once during an initial tour and again during a consecutive tour.

4.6. Official Passport Requirement (DoD Foreign Clearance Guide / DoD 1000.21-R, C1.3.6.1. / USAFEI 36-3101). Whenever performing official travel, such as TDY or PCS travel, or when reentering the country of assignment after completing personal travel, self-sponsored civilian employees will use the official, no-fee (red) passport to clearly designate their status as members of a U.S. Government agency. This also applies to locally-hired employees who are normally not entitled to an official or no-fee passport but are required to perform official travel outside the country of assignment. For all other, non-duty-related travel, the blue tourist passport should be used. If, however, the country of assignment requires the presentation of the passport containing the residency permit, employees will adhere to that condition. The CPSs will advise current and prospective self-sponsored employees in such a way that the application process can be initiated in due time before any anticipated official travel. To obtain more specific information, affected employees will contact the local passport services agency or refer to [www.travel.state.gov](http://www.travel.state.gov).

## 5. Appeal Procedures

5.1. General. Claims or requests for waivers regarding overseas allowances or transportation entitlements and benefits that are found to be unjustified and therefore denied by the CPO are considered closed at the local level. Employees may seek redress by submitting such requests to the authorities listed below:

5.1.1. Decisions on LQA, TQSA, Post Allowance, Separate Maintenance Allowance, or Home Leave will be adjudicated by the Office of Personnel Management (OPM) IAW 31 U.S.C. §3702 and 5 CFR §178.101 et seq. Claims are to be addressed to:

Assistant Director for Oversight  
U.S. Office of Personnel Management  
Office of Merit Systems Oversight and Effectiveness  
1900 E Street, NW, Room 7677  
Washington, DC 20415  
U.S. Telephone Number: (202) 606-7948  
Email: [oversight@opm.gov](mailto:oversight@opm.gov)  
For specific information on procedures and rules refer to  
<http://www.opm.gov/Payclaims/rules.asp>

5.1.2. Claims involving Federal employees travel, transportation, and relocation allowances such as FTA, or TQSE will be adjudicated by the Civilian Board of Contract Appeals under the rules of procedure published at <http://www.cbca.gs.gov>. Employees will mail appeals packages to:

The Civilian Board of Contract Appeals  
1800 F Street, NW  
Washington, DC 20405  
U.S. Telephone Number: (202) 606-8800; Fax Ext.: 0019

5.2. CPOs are responsible for ensuring that employees who wish to appeal agency decisions are properly advised on the correct procedures. Likewise, local commanders are to be informed on these procedures to avoid that appeals are routed incorrectly and inappropriate parties are involved.

**6. Grandfathering.** Provisions in this instruction that are more restrictive than previous ones will apply only to employees for whom initial determinations are made after the date of publication.

CHRISTOPHER C. SHARPE, Colonel, USAF  
Director, Manpower, Personnel, and Services

**Attachment 1****GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

5 U.S.C. §6303, 6 September 1966

31 U.S.C. §3702, 2 December 2002

5 CFR §178.101, 31 December 1997

5 CFR §337.202, 15 June 2004

5 CFR §351.203, 3 January 1986

5 CFR §630.601 et seq., 29 December 1995

OPM Guidance Memorandum, 6 June 2010, "*Implementation of the President's Memorandum Regarding Extension of Benefits to Same-Sex Domestic Partners of Federal Employees*"

Department of State Standardized Regulations (DSSR), 30 August 2009

DoD Foreign Clearance Guide (FCG), <https://www.fcg.pentagon.mil/fcg.cfm>, 20 April 2012

DoDI 1400.25 - Volume 1250, 23 February 2012

DoDD 1000.21-R, *Passport and Passport Agent Services Regulation*, 1 April 1997

DoD Joint Ravel Regulations, Vol.2 (JTR), current edition

North Atlantic Treaty Organization Status of Forces Agreement (NATO SOFA), 19 June 1951

EUCOM Directive 35-2, *Environmental and Morale Leave*, 3 August 2003

AFPD 36-1, *General Civilian Personnel Provisions and Authorities*, 7 March 1995

AFI 36-102, *Basic Authority and Responsibility for Civilian Personnel Management and Administration*, 18 February 1994

AFI 36-202, *Civilian Mobility*, 18 March 1994

AFI 36-815, *Absence and Leave*, 5 September 2002

AFMAN 36-204, *Overseas Employment*, 11 April 2007

USAFEI 36-3101, *Passports and Visas*, 1 October 2009

***Prescribed Forms***

None

***Adopted Forms***

DD Form 1617, *Department of Defense (DOD) Transportation Agreement, Transfer of Civilian Employees Outside CONUS (OCONUS)*.

AF Form 847, *Recommendation for Change of Publication*

***Abbreviations and Acronyms***

**CONUS**—Continental United States

**CPO**—Civilian Personnel Officer  
**CPS**—Civilian Personnel Staff  
**DSSR**—Department of State Standardized Regulations  
**EML**—Environmental and Morale Leave  
**FTA**—Foreign Transfer Allowance  
**HL**—Home Leave  
**IAW**—In Accordance with  
**JTR**—Joint Travel Regulations  
**LQA**—Living Quarters Allowance  
**OCONUS**—Outside the Continental United States  
**OPM**—Office of Personnel Management  
**PA**—Post Allowance  
**PCS**—Permanent Change of Station  
**PD**—Post Differential  
**PDS**—Permanent Duty Station  
**POQ**—Personally Owned Quarters  
**RAT**—Renewal Agreement Travel  
**SMA**—Separate Maintenance Allowance  
**TDY**—Temporary Duty  
**TQSA**—Temporary Quarters Subsistence Allowance  
**TQSE**—Temporary Quarters Subsistence Expense  
**UTAP**—Utility Tax Avoidance Program