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Civilian Personnel

Civilian Personnel Overseas Allowances

***This regulation supersedes AE Regulation 690-500.592, 26 October 2017.**

By Order of the Commander:

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Summary. This regulation prescribes policy for authorizing overseas allowances, such as living quarters allowance (LQA), temporary quarters subsistence allowance (TQSA), separate maintenance allowance (SMA), and foreign transfer allowance (FTA), for appropriated fund (APF) civilian employees of the U.S. Army in Europe.

Summary of Change. All changes to the policy in this regulation are effective the date of publication. They do not alter LQA determinations made under previous rules; nor do they extend entitlements to employees who were denied those entitlements under previous rules. This revision—

- Provides clarifying language regarding the applicability of this regulation by replacing “European theater” with “Army in Europe area of operations” throughout.
- Changes the requirement to file an SF 1190 for LQA after occupying quarters from 30 days to 90 days ([para 5f\(2\)](#)).
- Deletes the requirement for term employees with 5 or more years of overseas competitive service (in term or permanent positions) from being ineligible for continued LQA payment unless their service is interrupted by at least 2 years of physical presence in the United States. Also deleted is the requirement to make term employees ineligible for LQA when reconverted to permanent employment unless their service is interrupted by at least 2 years of service in the United States.

- Lifts the restriction on pooling of LQA in “shared quarters.”
- Revises policy on LQA as it relates to privately owned quarters ([para 11e](#)).

Applicability. This regulation applies to U.S. Department of the Army APF civilians employed in the Army in Europe area of operations (AO) or assigned or attached to organizations stationed in the Army in Europe AO but physically located outside that AO and serviced by one of the following Civilian Human Resources Agency (CHRA) regions: Northeast/Europe Region, West Region, Southwest Region, South Central Region, or North Central Region, unless excluded by a civilian personnel servicing agreement or memorandum of understanding between the employing command or direct reporting unit and HQ CHRA. For the purposes of this regulation, all CHRA regions are identified as CHRA. This regulation does not apply to employees in the Senior Executive Service. Personnel transferring from other services or agencies with policies that permit payment of LQA where these rules do not may lose their LQA entitlement in accordance with these rules. The changes in LQA policy in this regulation are effective on the date of publication of this regulation and are intended only for prospective implementation, unless otherwise determined by the proponent.

Records Management. Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are on the Army Records Information Management System website at <https://www.arims.army.mil/>.

Supplementation. Organizations will not supplement this regulation without approval of the Civilian Personnel Directorate, Office of the Deputy Chief of Staff, G1, Headquarters, United States Army Europe (mil 537-1537).

Forms. AE and higher level forms are available through the Army in Europe Library & Publishing System (AEPUBS) at <http://www.aepubs.eur.army.mil/>.

Suggested Improvements. The proponent of this regulation is the Civilian Personnel Directorate, Office of the Deputy Chief of Staff, G1, Headquarters, United States Army Europe (mil 537-1537). Users may submit improvements to this regulation (by using DA Form 2028) and requests for exception to policy as permitted in this regulation to the USAREUR G1 (AEPE-C), Unit 29351, APO AE 09014-9351.

Distribution. This regulation is available only electronically and is posted in AEPUBS at <http://www.aepubs.eur.army.mil/>.

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A. Living Quarters Allowance Allowable Costs

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A-1. Living Quarters Allowance Allowable Costs

Glossary

1. PURPOSE

This regulation establishes policy for granting living quarters allowance (LQA), temporary quarters subsistence allowance (TQSA), separate maintenance allowance (SMA), foreign transfer allowance (FTA), and post hardship differential to appropriated fund (APF) civilian employees who are—

- a. Employed by an organization to which this regulation is applicable.
- b. Stationed in the Army in Europe area of operations (AO) or assigned or attached to organizations in the Army in Europe AO but physically located outside that AO and serviced by the Civilian Human Resources Agency (CHRA).
- c. Paid by the Defense Finance and Accounting Service (DFAS).

2. REFERENCES

a. Publications.

- (1) Department of State Standardized Regulations (DSSR)
(https://aoprals.state.gov/content.asp?content_id=282&menu_id=101).
- (2) Department of Defense Instruction (DODI) 1400.25, Volume 1250, DOD Civilian Personnel Management System: Overseas Allowances and Differentials
(<http://www.esd.whs.mil/Portals/54/Documents/DD/issuances/140025/1400.25-V1250.pdf>).
- (3) Department of Defense Joint Travel Regulations (JTR)
(<http://www.defensetravel.dod.mil/site/travelreg.cfm>).
- (4) Department of Defense 7000.14-R, Financial Management Regulations (FMR)
(<http://comptroller.defense.gov/fmr/>).
- (5) AR 25-400-2, The Army Records Information Management System (ARIMS)
(http://www.apd.army.mil/epubs/DR_pubs/DR_a/pdf/web/r25_400_2.pdf).
- (6) AE Supplement 1 to AR 690-300.301, Overseas Employment
(<http://www.aepubs.eur.army.mil/AE-Supplements/?smdsearch9182=690-300.301>).

b. Forms.

- (1) SF 1190, Foreign Allowances Application, Grant and Report.
- (2) DA Form 2028, Recommended Changes to Publications and Blank Forms.
- (3) DSSR 130 Living Quarters Allowance Worksheet.
- (4) [AE Form 215-6B](#), U.S. Forces Order Form for German Value-Added Tax-Free Merchandise and Services/*Bestellung für Mehrwertsteuer befreite Deutsche Waren und Dienstleistungen*.

3. EXPLANATION OF ABBREVIATIONS AND TERMS

The [glossary](#) explains abbreviations and terms.

4. PROGRAM ADMINISTRATION

The DSSR and DODI 1400.25, volume 1250, prescribe the guiding principles for the policy in this regulation. Except as otherwise stated in this regulation or in the terms of a separate memorandum of agreement, eligibility for covered foreign allowances and differentials will be determined in accordance with the DSSR; DODI 1400.25, volume 1250; and this regulation. DFAS adjusts LQA payments based on fluctuating currency exchange rates and biweekly maximum-rate updates published by the U.S. Department of State.

5. RESPONSIBILITIES

a. The Civilian Personnel Advisory Center (CPAC), CHRA, will—

- (1) Make initial determinations using LQA questionnaires and advise applicants or employees of their eligibility for overseas benefits and allowances, including LQA, and required documents before the individuals enter on duty.
- (2) Advise and help employees complete SF 1190 and the DSSR 130 worksheet.
- (3) Review employees' SF 1190 and DSSR 130 Worksheet and receipts for all allowances (except TQSA and LQA reconciliations) for completeness and forward the SF 1190 and supporting documentation to the servicing CHRA LQA Office for processing.
- (4) Send requests that require approval at a level above the CPAC through the pertinent CHRA region office to the Civilian Personnel Directorate (CPD), Office of the Deputy Chief of Staff, G1, HQ USAREUR, for final determination.

b. The LQA Office, CHRA, will—

- (1) Review initial determinations of LQA eligibility for appropriateness and render final determinations within CHRA's scope of responsibilities.
- (2) Forward any pending determinations that may be controversial or precedent-setting or those involving difficult or unique policy guidance interpretation as well as requests from applicants or employees for reconsideration of initial determinations to the CPD for final determination.

(3) Review the DSSR 130 Worksheet, SF 1190, and receipts for accuracy and completeness and enter the information from the SF 1190 into the Defense Civilian Personnel Data System.

(4) Inform employees in writing that they must provide receipts for actual utility expenses for LQA reconciliation not later than 15 months after occupying permanent quarters and reconcile expenditures for the first year the employee resides in permanent quarters. The LQA Office may grant extensions beyond 15 months for circumstances beyond the employee's control. If an employee fails to comply with the established extensions and suspense dates, the LQA Office will inform the employee that the payment of the utility portion of the LQA will stop and will indebted employees for the amounts received during periods of noncompliance up to that date. Should the employee later comply, the LQA Office will authorize the payment of the utility portion of the LQA only prospectively from the date of compliance.

c. The Staffing Proponent's Office, CHRA, will maintain a list of hard-to-fill positions ([glossary](#)), and review the list at least once every 2 years to ensure the positions still meet the criteria. On receipt of a request to designate a position as hard-to-fill, the Staffing Proponent's Office will review recruitment records and documentation to determine whether criteria are met, and approve or disapprove the request.

d. The CPD will—

(1) Review and make final determinations on matters of interpretation of this regulation, the DSSR, and DOD guidance relative to overseas benefits and allowances as well as on precedent-setting requests.

(2) Review and make final determinations on requests for—

(a) LQA unusual circumstance waivers under the provisions of DODI 1400.25, volume 1250.

(b) LQA eligibility under management-directed reassignment (MDR).

(c) SMA.

(d) Extensions of 10-day predeparture FTA.

e. Heads of organizations (for example, division and department chiefs, local commanders) will send a request to designate positions they believe qualify as hard-to-fill to the CHRA Staffing Proponent's Office through their servicing CPAC. CHRA decisions will be based on documentation that shows extensive open recruitment has not or is not expected to produce qualified candidates or the necessary number of qualified candidates. If the position is newly established with no current recruitment record, the CHRA will use documentation from similar positions in similar locations to evaluate the position or determine that because of uniqueness, special conditions or location, LQA will be required to attract candidates with the required skills.

f. Employees eligible for allowance will—

(1) At the end of payment periods of TQSA, provide copies of any receipts required or requested together with a completed SF 1190 to the designated approval official for review. The designated approval official will submit approved claims to the CHRA LQA Office for processing.

(2) Provide copies of their rental or lease agreement and their enrollment in the DOD Utility Tax Avoidance Program to the CHRA LQA Office together with an SF 1190 and DSSR 130 Worksheet in order to start their LQA. To be compensated retroactively, employees must file their SF 1190 within 90 days after occupying their quarters. Such claims will be processed prospectively from the date of SF 1190 submission. The electronic signature date on the SF 1190 is the date considered as submission of the claim.

(3) Use the LQA for its intended purpose (that is, to timely meet their financial obligations in accordance with their rental or lease agreements, mortgage contracts if applicable, and utility contracts) to avoid LQA cessation in part or in whole.

(4) Using SF 1190, inform the CHRA LQA Office of any change in factors affecting eligibility for any allowance received such as a change in number of Family members in quarters, departures, separation, divorce, failure to pay or withholding rent, subleasing, change in quarters (move of employee to a new residence, a new rental agreement, significant changes in utility costs). Employees who sublease their LQA-funded quarters will inform the CHRA LQA Office within 30 days after the subleasing begins or within 30 days after the date tenants occupy any part of the premises, whichever is soonest. Failure to do so may result in ineligibility LQA for the duration of an overseas tour in an organization serviced by CHRA. Sublease income must be offset from LQA. LQA overpayment caused by the employee not reporting the sublease income is subject to recoupment at any time.

NOTE: The SF 1190 is a self-certified official document used to obtain Federal allowances. Employees who misrepresent substantive information on SF 1190 (for example, amounts, names, relations, locations and number of eligible Family members) will undergo a management or appropriate investigative inquiry process for potential corrective action. The CHRA LQA Office will not reconsider the corrected SF 1190 until that inquiry process is completed and may deny allowances such as LQA, SMA, and FTA to misrepresenting employees for their entire overseas tour with an organization serviced by CHRA, regardless of other corrective actions. Employees must report their nonpayment of any obligations reimbursed by LQA so that the money may be recouped. When LQA has been approved, nonpayment of obligations submitted on the SF 1190 may be construed as misuse of LQA, which may result in disciplinary action including separation from Federal service.

(5) For employees receiving LQA under MDR (para 7f), inform the CHRA LQA Office of any change in their eligibility providing cause for termination of the allowance (for example, employees returning to the residence from which they made a permanent change of station (PCS) move to obtain LQA).

(6) Review leave-and-earnings statements to ensure allowances received are accurate. Employees should immediately notify the CHRA LQA Office if they suspect errors or note an unusually significant increase or decrease in allowance payments.

g. Applicants for overseas positions will comply with all CHRA requirements to determine their eligibility for overseas allowances and differentials including timely and accurate submission of an LQA questionnaire and will provide substantiating documentation to CHRA on request. Failure to do so within the suspense established by CHRA may result in allowance ineligibility for the duration of an overseas tour in an organization serviced by CHRA.

6. RECONCILIATION OF EXPENSES

a. Mandatory LQA Reconciliation. A reconciliation of actual rental, utilities, and any other allowable costs will be conducted at the end of the first year of the rental period in accordance with [paragraph 5b\(4\)](#).

b. Voluntary LQA Reconciliation. Employees or the agency may request reconciliation whenever they believe a significant change in expenses has occurred. Employees must include all utility bills and allowable costs along with an SF 1190 to the CHRA LQA Office. Increases in LQA payments based on such reconciliations will be prospective from the date of SF 1190 submission. Reconciliation requests submitted later than 30 days after receipt of the last bill will not be processed for that annual billing cycle. When a new bill is received from the next annual billing cycle, the employee may submit a new request. No retroactive payments will be authorized.

c. CHRA-Directed LQA Reconciliation. The CHRA LQA Office may request employees to reconcile their expenses at any time.

7. LQA ELIGIBILITY

Employees must meet the basic LQA eligibility requirements in the DSSR; DODI 1400.25, volume 1250; and this regulation. According to DOD guidance, LQA principally is a recruitment incentive for U.S. citizen civilian employees living in the United States to accept Federal employment in a foreign overseas area, not for those already living in a foreign area. LQA is not an automatic salary supplement or an entitlement.

a. Employees Recruited in the United States.

(1) LQA may be granted to employees recruited in the United States, as defined in the DSSR; DODI 1400.25, volume 1250; and this regulation, for positions at grades GS-09 and above (or GG, WG, WS, WL, or other pay-plan equivalents) including positions that have an equivalent target grade. Grade restrictions do not apply to applicants selected for hard-to-fill positions or positions in the 1144 occupational series that are supervisory or managerial.

(2) LQA may be granted to employees who previously vacated a foreign OCONUS DOD civilian position (permanent, term, temporary) or a contractor position only if they have physically resided permanently in the United States for at least 2 years immediately before accepting the formal offer of employment. This includes individuals who were previously employed overseas under Family member status. If a request for exception to the 2-year CONUS residency requirement in accordance with DODI 1400.25, volume 1230, paragraph 4h(5), is approved, a request for exception to this LQA restriction may be submitted to the CPD. This LQA restriction does not apply to employees who are not subject to the 2-year CONUS residency requirement (DODI 1400.25, vol 1230).

(3) LQA may be granted to applicants who are selected, competitively or noncompetitively, for overseas positions when they return from nontransitory presence in an overseas area, if they have physically resided permanently in the United States for at least 180 days before accepting the formal offer of employment. This includes military members, contractor employees, and those with no previous DOD affiliation.

(4) The 2-year and 180-day residency requirements in [a\(2\)](#) and [\(3\)](#) above do not apply to—

(a) Employees serving on a mandatory mobility agreement.

(b) Applicants hired into hard-to-fill positions or positions in the 1144 occupational series that are supervisory or managerial.

(c) Applicants who were DOD civilian or contractor employees serving overseas in an area designated as a combat zone.

(d) Applicants or employees who are not subject to the 2-year CONUS residency requirement in accordance with DODI 1400.25, volume 1230.

(5) LQA may not be granted to employees recruited in the United States who arrive in the overseas area under their spouse's or domestic partner's (military or civilian member) Government-funded travel orders. DOD waiver criteria may, however, apply in cases of unusual circumstances ([para 8](#)).

NOTE 1: Applicants must maintain a legal residence or home of record in the United States and be physically present permanently there during the DOD recruitment period, from application to acceptance of a formal offer of employment ([glossary](#)), in order to qualify for LQA eligibility. A short visit to foreign areas during the DOD recruitment period does not automatically preclude LQA eligibility if the presence was clearly transitory (U.S. Office of Personnel Management (OPM) Decision 16-0015, 21 April 2016, and OPM Decision 15-0018, 15 October 2015). The CHRA LQA Office may examine factors, including the purchase of round-trip tickets from the United States, the purpose and duration of the visit, any visas or permits required, the transient nature of accommodations used (for example, hotels, guest housing), visits with Family members, friends, or relatives residing in the foreign area, and actions performed there. The employee must prove that he or she maintained a U.S. residence and did not merely reside with Family members or relatives (OPM Decision 15-0029 (footnote 2), 8 August 2016).

NOTE 2: Federal civilian employees on short-term temporary duty (TDY) orders from the United States to foreign areas other than in combat zones (DSSR, sec 031.15 and sec 040t) must physically return to stateside service sufficiently long enough for their foreign presence to be considered temporary. The CHRA LQA Office must consult the CPD in advance in instances of complicated circumstances or TDY longer than 30 days. According to the JTR, a temporary change of station (TCS) is the relocation of an employee to a new permanent duty station (PDS) to perform a long-term temporary assignment. Personnel on TCS to a foreign area PDS will normally not be considered to be physically present permanently in the United States. Their LQA eligibility will be determined as employees recruited outside the United States.

NOTE 3: For contractor employees, the equivalent of TDY is travel performed away from the employee's normal daily duty station identified in their employment contract or other documents concurrent with the contract. Foreign area travel, other than in combat zones, will be assessed by taking into consideration the employee's written authorization and documentation for such travel, its time limitations, provisions for the employee's return, and provisions for shipment of household goods or Family members. An individual recruited in the United States to work for a U.S. firm at a PDS overseas without a specifically identified return or follow-on assignment stateside will not be considered an employee recruited in the United States ("U.S. hire"). Private-sector employees in TDY equivalent status in foreign areas also must physically return to service with their firm stateside sufficiently long enough for their presence in the foreign area to be considered temporary. The factors described above may be considered in determining the existence of a stateside residence before and during the overseas presence. The CHRA LQA Office must consult CPD in advance when complicated circumstances or private-sector foreign-area travel longer than 30 days is involved.

b. Employees Recruited Outside the United States.

(1) Employees recruited outside the United States, as identified in DSSR, section 031.12a and b, for positions at grades GS-09 and above (or GG, WG, WS, WL, or other pay-plan equivalents) including positions that have an equivalent target grade, may be granted LQA in accordance with the DSSR; DODI 1400.25, volume 1250; and this regulation. Grade restrictions do not apply to applicants selected for hard-to-fill positions or positions in the 1144 occupational series that are supervisory or managerial.

(2) According to DODI 1400.25, volume 1250, former military members or civilian employees initially recruited by the DOD in the United States and then separated locally in a foreign area, may be considered to meet the DSSR LQA eligibility requirement of "substantially continuous employment" for up to 1 year from the date of separation if they have not lost or used any portion of their Government transportation back to the United States (exceptions are listed below). Separation in the United States at Government expense ends LQA eligibility under this provision. The following actions typically do not affect LQA eligibility:

(a) Shipment of household goods (HHG) from nontemporary storage.

(b) A Family member's early return to the United States and associated HHG shipment in conjunction with a Family member's early return.

(c) A short-distance HHG move at Government expense (authorized for separating military members) from vacated Government quarters to temporary storage or nontemporary storage or to a temporary residence near the vacated quarters (JTR, paras 5258 and 5320-F).

c. Employees Recruited While Deployed. Employees recruited while deployed or employed in combat zones for positions at grades of GS-09 and above (or GG, WG, WS, WL, or other pay-plan equivalents), including positions that have an equivalent target grade, may be granted LQA if they meet eligibility requirements in the DSSR; DODI 1400.25, volume 1250; and this regulation. Grade restrictions do not apply to applicants selected for hard-to-fill positions or positions in the 1144 occupational series that are supervisory or managerial. These employees are essentially considered as being recruited in the United States as they demonstrate that they were “customarily residing” in the United States when the recruitment process for their subsequent overseas position took place. To be eligible for U.S. hire treatment according to the DSSR, section 031.15, an individual subject to this regulation must demonstrate substantial physical presence in the United States for at least 6 months immediately before deployment and must successfully complete at least 30 days of service in the combat zone before their reporting date for a Federal civilian position.

d. Employees Transferring to Army Employment While Overseas. Once employed by any Federal agency overseas without LQA, an employee transferring to Army civilian employment will not be eligible for LQA. Federal APF civilian employees (for example, from other Services and agencies) and NAF employees selected for or converted from NAF to APF in grades GS-09 or above (or GG, WG, WS, WL, or other pay-plan equivalents), including positions that have an equivalent target grade; a hard-to-fill position; or a position in the 1144 occupational series that is supervisory or managerial, may be considered eligible for LQA if all of the following apply:

(1) The employee is transferring to or within the Army in Europe AO from another overseas Government activity or agency without a break in service.

(2) The employee meets basic eligibility criteria in the DSSR; DODI 1400.25, volume 1250; and this regulation.

(3) The employee was receiving LQA at the time that he or she accepted a formal offer of employment for which LQA may be granted.

NOTE: According to DODI 1400.25, volume 1250, NAF employees selected or converted to APF positions must have received LQA for at least 1 year in their NAF employment to remain eligible.

e. Contractor Employees. Contractor employees selected for overseas Federal civilian employment who meet basic eligibility criteria in DSSR; DODI 1400.25, volume 1250; and this regulation, may be eligible for LQA. In making LQA determinations, the CHRA LQA Office will consider only documents showing the employment relationship and hiring circumstances with a U.S. firm executed at the time of hiring. Subsequent documents will not be considered unless they clearly show the correction of an error from the point of initial hire and pre-date the vacancy announcement for the DOD employment at issue. In case of a change of contractor companies during employment as a civilian contractor (for example, company A subsumes company B), the applicant must submit all relevant documents to the LQA Office showing the previous employment for the determination of LQA eligibility.

(1) Former military members who separate in the overseas area and are employed by a U.S. firm without first relocating to reside in the United States will not be eligible for LQA after accepting Federal civilian employment, even if employed by a firm under conditions that provided for their return transportation to the United States. Stateside relocation must be evidenced by actions such as the employee's return shipment of HHG and executed return travel orders for themselves and applicable Family members.

(2) Applicants recruited by a U.S. firm in the United States for a position in the overseas area who accept follow-on employment with other firms overseas before accepting Federal civilian employment will not be eligible for LQA, even if all firms employed them under conditions that provided for their return transportation to the United States.

f. Management-Directed Reassignment. Generally, LQA under an MDR will not be granted. In extraordinary cases where an LQA-ineligible employee must relocate to another area under a management-generated action in accordance with DODI 1400.25, volume 1250, commands may request CPD approval in advance. The MDR must result from actions such as a major organizational move, a reduction in force, base transformation, or base closure, and never executed solely to extend LQA. In all cases, an actual PCS move under Government travel orders must occur. The DOD JTR provisions on authorization and approval of PCS travel, including the distance test, must be met, and the employee's new permanent residence must be located closer to the new duty location than to the duty station from which reassigned. Executed Government-issued PCS orders must be provided to the CPD as evidence of the employee's relocation from his or her former residence, showing complete HHG shipment or storage. If the employee later ceases to maintain LQA-funded residence at the new PDS without an official PDS reassignment, LQA will be terminated. If an employee joins a spouse receiving LQA at the new duty station, the reassigned employee will not be authorized LQA under an MDR. No outgoing TQSA (from the pre-MDR PDS) will be authorized for employees obtaining LQA under an MDR since they will not be eligible for LQA under this regulation until they physically move and occupy a new permanent residence at the post of assignment. Management should allow sufficient time for the employee to achieve a door-to-door move.

8. WAIVERS

a. DODI 1400.25, volume 1250, lists the unusual circumstances under which the requirements of DSSR 031.12b may be waived. Under this regulation, no other waiver for unusual circumstances is authorized. Eligibility determinations will be made on an individual basis. The following are considered unusual circumstances:

- (1) The death of the sponsoring spouse or domestic partner.
- (2) The physical or mental incapacitation of the sponsoring spouse or domestic partner.
- (3) Divorce, or legal separation, or dissolution of domestic partnership.
- (4) The permanent departure from the post or from the area by the sponsoring spouse or domestic partner.
- (5) The inability to maintain a common dwelling because of the relocation of either the spouse's or the domestic partner's workplace.

b. An employee seeking a waiver according to [subparagraph a](#) above must have entered the country in which the foreign post is located as the spouse of a sponsor or domestic partner who was eligible for either military or civilian quarters allowance. The CPD may give special consideration to the following when considering approval to grant LQA under a DOD waiver authority:

(1) The verification of the loss of Family member status through divorce or legal separation requires documentation that legal action has been initiated or concluded through an appropriate judicial system. In such cases and as a prerequisite to LQA approval, CHRA must verify in advance that the former sponsor is not continuing to receive a housing allowance for the employee.

(2) Under this regulation, an unusual circumstance waiver for a sponsor departing the post or area permanently will not be approved when the employee and sponsor remain in the same overseas country. This is consistent with Family-member employment objectives to provide opportunities to spouses or domestic partners accompanying sponsors at their posts of assignment.

(3) Employees on Family member appointments (5 CFR Schedule A 213.3106(b)(6)) are subject to termination 60 days after they lose Family member status and will not be eligible for an unusual circumstance waiver consideration unless their appointments have been properly extended.

c. Employees may submit waiver requests and documentation for determination of LQA eligibility to their supervisors for review. If the commander, staff principal, or comparable organization head recommends approval, the request with supporting documentation may be forwarded to the CPD.

d. DOD authorized such waivers to provide financial relief to affected dependent employees to allow them to get their affairs in order before returning to the United States. Waivers are limited in nature and duration and are not intended as permanent grants. Under this regulation, a waiver may be approved for up to 1 year and will not be extended. The LQA eligibility will permanently cease immediately if the sponsoring spouse returns to the post of assignment or maintains a common household with the employee, or the employee remarries or cohabits with another employee who is eligible for quarters allowance.

9. CONTINUING ELIGIBILITY

Unless otherwise prescribed, all employees who met LQA eligibility criteria at the time of appointment but who do not meet the criteria of this regulation will continue to receive LQA. This provision will not—

a. Extend or reinstate payment of LQA when law, regulation, or policy otherwise directs termination of payment.

b. Apply to employees at the GS-08 level and below or equivalent who receive LQA based on placement in a hard-to-fill position if they voluntarily leave that position (through competitive or noncompetitive means) for a position not hard-to-fill below the GS-09 or equivalent level. If an employee is involuntarily moved from the position for reasons other than conduct or performance (for example, reduction-in-force placement), the employee's LQA may continue. Employees obtaining LQA in hard-to-fill positions at the GS-08 level and below may be allowed to retain LQA for up to 3 years from the date their position is later recategorized as not hard-to-fill.

10. DISCONTINUANCE OF ALLOWANCE

a. Employees under the NATO SOFA must respect host-nation law. Failure to honor financial obligations can damage host-nation relations and affect housing availability and costs for all U.S. Forces personnel. When LQA is not used for its intended purposes (that is, paying rent, mortgage, or utility expenses), the CHRA LQA Office will provide delinquent employees a 30 calendar days' notice during which they have to settle their arrearage and furnish acceptable proof of payment in full. CHRA will stop relevant LQA payments (either the rental or utility portion or both) starting on the 31st day if the employee does not provide such proof. Any LQA amounts paid to the employee but not used for its intended purpose will be recouped. Merely paying restructuring payments owed, without complete repayment of the debt, is not sufficient to restart LQA; but if a debt is fully resolved under any restructuring agreement entered into within those 30 calendar days, LQA may be restored retroactively after complete repayment of the debts under the terms of the restructuring agreement. Employees who repeatedly fail to honor such obligations or to promptly enter into a restructuring agreement and fail to abide by its terms will remain permanently disqualified from relevant LQA eligibility for the duration of their overseas service in an organization serviced by CHRA.

b. Employee LQA-related misconduct as a breach of their responsibilities in [paragraph 5f](#) may result in the employee's being ineligible for LQA for the duration of his or her overseas tour in an organization serviced by CHRA.

11. DETERMINING LQA PAYMENT

a. The amount of LQA received is based on the employee's post of assignment, grade, and number of Family members residing with the employee. Quarters allowance may be paid to an employee only for a permanent residence that is within reasonable proximity to the post of assignment ([glossary](#)). When an employee maintains more than one residence in the Army in Europe AO (leased or owned), the employee may properly submit expenses for LQA reimbursement for whichever residence he or she designates as primary only in cases where the employee maintains more than one residence as a result of an MDR. In all other cases, the employee will only receive LQA for the quarters nearest his or her post of assignment. Where LQA-eligible employees reside together but are assigned to different posts that are not reasonably proximate to each other, LQA may be payable as long as the quarters are reasonably proximate to one of their posts.

b. LQA will not be paid for any quarters located outside the country of the employee's post of assignment (OPM Decision 14-0009, 19 August 2014).

c. Employees who maintain a residence that is outside the boundary of the post or country of assignment but who were authorized LQA under previous versions of this regulation may continue to receive LQA for those quarters for the duration of their overseas tour or until they elect LQA for quarters reasonably proximate to their post of assignment, whichever occurs sooner.

d. According to DSSR, sections 112 and 131, LQA is intended to cover substantially all average allowable costs for one unit of suitable, adequate quarters and qualifying utilities.

(1) If an employee rents a dwelling or combination of dwellings that comprise more than one set of quarters (for example, a pension, a duplex, or other premises with a *maisonette* or *Einliegerwohnung* that has a separate entry way (internal or external), separate bedroom and bathroom, and separate kitchen), LQA is allowed only for a portion that CHRA determines to constitute one adequate residence. In such cases, allowable costs for rent and utilities will be pro-rated using the percentage of total costs. Employees must consult their CHRA LQA Office before renting such premises.

(2) Each LQA-eligible civilian employee married to a military member will provide evidence of the military member's overseas housing allowance (OHA) entitlement to the CHRA LQA Office. The CHRA LQA Office will determine whether the LQA rate will be established as "with" or "without Family" rate depending on whether the OHA is established as "with dependent" or "without dependent" rate. Alternatively, for leased quarters, military-civilian sharers may opt to receive up to half of their allowance each in accordance with applicable guidance.

e. LQA for privately owned quarters (POQ) may be authorized under the following conditions:

(1) LQA for POQ may be paid for existing structures only. LQA will not be authorized for the construction, in whole or in part, of POQ. LQA is intended to substantially offset the costs of quarters that exist at the time of the employee's assignment overseas. In cases involving extraordinary circumstances, employees may request that the CPD grant an exception to this policy.

(2) LQA will not be paid to employees for rental quarters if they own a POQ within the commuting area of their PDS (OPM Decision 12-0033, 7 March 2014). Employees are considered to be in possession of POQ when either their spouse or domestic partner or both the employee and his or her spouse or domestic partner own the POQ (DSSR, sec 136a). Consequently, no LQA will be paid for leasing POQ to a spouse or domestic partner occupying the POQ. A commuting area may include the distance an employee drives daily to work. If an employee sells a POQ for which he or she received LQA for any amount of time, LQA for rental quarters in the same area of assignment may be authorized for up to the remainder of the DSSR 10-year period.

(3) The rental portion of LQA will not be paid for any POQ for which LQA has already been paid for 10 years, regardless of the current owner. The rental portion of LQA on such POQ may be paid for up to 10 years. Only the utility portion of LQA may be paid after that time.

(4) If employees sell, transfer, or exchange their POQ and lease it back before or after returning to CONUS, they may receive LQA for actual rent only up to the DSSR-prescribed 10-year period that was applicable when they owned the quarters. Only the utility portion of LQA may be paid after that time for rental quarters at the same PDS.

(5) Employees who remain in their POQ after payment obligations have been transferred from them will not receive the rental portion of POQ LQA. For LQA reconciliation purposes, the CHRA LQA Office will require all employees selling a POQ while stationed overseas before the 10-year limit to produce documentation showing when payment obligations transferred, when the employee vacated the sold POQ, and when the last POQ payment was made.

(6) POQ is limited to actual cost based on the employee's original purchase price. (OPM decision 12-0037, 22 April 2013). The purchase price will not subsequently be increased or extended (for example, due to refinancing, exchange rate fluctuations, additional mortgage situations). The DSSR 10-year period for POQ is cumulative and will not exceed the actual cost remaining at the time of application or reapplication for LQA (including any payments against the initial purchase price made prior to application), as discussed below.

(a) Any payments on POQ made after the DSSR 10-year period has commenced but while the employee is not drawing LQA for any reason (for example, mortgage payments between overseas tours of duty) reduce the actual cost payable on that POQ when the employee reapplies for LQA. The reduced actual cost will be prorated as the rental portion of POQ LQA and may continue for up to 10 years.

(b) The rental portion of POQ LQA is not authorized for POQ acquired without purchase (for example, through inheritance or marriage) even if subject to mortgages, liens, or other payments. The DSSR does not provide for LQA in such cases.

(c) Regardless of prearrangement, using LQA to lease quarters under arrangements that involve applying such payments to later purchase of those quarters and later acquisition of such quarters (for example, at a reduced price) is prohibited as a potential subversion of the DSSR 10-year limitation. If at any time CHRA becomes aware that a lessee later acquires ownership interest in the premises he or she leased before through marriage to or other transfer of interest from a lessor, all previous LQA rental payments will be recouped.

(d) Employees with POQ for which LQA is authorized and that require extensive renovation or modifications may be reimbursed only on the POQ purchase price. Costs associated with the renovation or modifications will not be reimbursed. Other nonreimbursable items include fees or taxes associated with the POQ purchase. [Appendix A](#) lists LQA reimbursable expenses for leased premises and POQ. Employees may consult the CPD for questions regarding nonreimbursable items.

f. Sponsors will not receive LQA for residences where their divorced or separated spouses reside without them. Sponsors must report such significant changes in Family status to their CHRA LQA Office. Sponsors receiving LQA who move away from their quarters where Family members reside, but who remain in the Army in Europe AO, must report this change to their servicing CPAC within 30 days after their initial departure unless one of the exceptions below applies. LQA and other allowances may not continue for Family members not "residing in the same quarters as the employee at his or her post" (DSSR, sec 040m). Individual logistic support also may be affected (AR 600-8-14 and [AE Reg 600-700](#)). For LQA purposes, residing in the same quarters or in the same household means that the sponsor is physically present, generally on a daily basis, except for the following:

(1) Absence under official orders.

(2) Absence supported by approved leave (for example, annual leave, sick leave, leave without pay) for not more than 60 days.

(3) Absence from the sponsor's primary residence for a secondary residence as approved by CHRA in accordance with other provisions of these rules.

(4) Absences for personal reasons (for example, domestic relations issues short of separation) of up to 30 days.

g. The renovation of quarters (landlord or tenant-initiated) after lease or purchase will not result in an upwards adjustment of LQA for increased rent or purchase price. Periodic increases in rent that are not in accordance with initial lease-contained rent-escalation provisions will be processed only if within normal parameters under host-nation law. In these situations, the CHRA LQA Office may request occupants to allow LQA Office representatives to examine premises for renovations causing the increase.

h. In accordance with the DSSR, section 131.2, LQA may reimburse eligible employees for costs associated with separate rental of furniture. Such requests will not be approved except under extraordinary circumstances. Employees may submit requests for reimbursement through CHRA to the CPD for final determination and must include a justification of the need for the separate rental furniture, an inventory listing of items shipped under official stationing orders, and an endorsement by the employee's supervisory chain-of-command, not below the deputy or equivalent level (for example, deputy to staff principal or commander).

i. The CHRA LQA Office may place employees defined in the DSSR, section 135.5c, who are in quarters group 4 and have 15 years of U.S. Government service into quarters group 3. Government service for this purpose includes employment in Federal civilian positions, NAF positions, and military service.

NOTE: Employees with pay retention at a higher grade will be in the quarters group associated with the grade of the position they are recruited for, not of their retained pay grade.

j. Payments of LQA pursuant to purchase or rental contracts will be made only if such contracts show amounts in the host-nation currency. In cases involving extraordinary circumstances, employees may request that the CPD grant an exception to this policy.

k. Payments of LQA pursuant to rental contracts that do not specifically identify or itemize associated costs (*Nebenkosten*) will not be authorized.

12. OTHER ALLOWANCES AND REIMBURSEMENTS

a. Temporary Quarters Subsistence Allowance. TQSA may be authorized for newly appointed ([glossary](#)) or transferred employees who are eligible for LQA in accordance with this regulation. TQSA is intended to cover the reasonable cost of quarters, meals, and laundry expenses incurred by the employee and Family members for up to 90 days after arriving in the overseas area or new post of assignment and up to 30 days immediately before final departure from the post of assignment. Employees must submit receipts for meals costing more than \$75. If abuse is suspected, the employing organization may request receipts for meals costing less than \$75. Substantiated abuse may result in permanent loss or discontinuation of LQA eligibility for the duration of the employee's overseas tour in an organization serviced by CHRA.

(1) Employees drawing TQSA must use AE Form 215-6B, commonly known as a “VAT Form,” to exclude taxes from commercial lodging expenses where possible. The cost of the single VAT form will be reimbursed as a lodging expense under this regulation. If VAT forms are not accepted, the employee will submit a statement from the lodging source to that effect, along with a TQSA claim. Employees failing to observe this requirement may be subject to administrative discipline, regardless of TQSA claim payment.

(2) If the employee has not yet moved into permanent quarters when arrival TQSA ends, LQA will replace TQSA for lodging accommodations at the rate applicable to the post of assignment.

(3) Pursuant to the DSSR, sections 122 and 125, employees must occupy temporary quarters at or near their post of assignment to be eligible for either arrival or departure TQSA.

b. Foreign Transfer Allowance. FTA may be authorized (generally for up to 10 days) for LQA-eligible employees departing from the United States who are transferring to a post of assignment in a foreign area in order to defray stateside lodging and meal expenses. According to the DSSR, section 242.3c, final departure must be from the employee’s U.S. post of assignment.

(1) Employees may submit requests for extension of a 10-day predeparture subsistence expense through CHRA to the CPD for final determination.

(2) The CHRA LQA Office will determine eligibility for the lease-penalty expense portion of the FTA.

c. Separate Maintenance Allowance. SMA may be authorized for employees eligible to receive LQA in order to defray additional expenses with maintaining a separate residence for Family members. Employees will submit requests for involuntary and voluntary SMA through CHRA to the CPD for final determination.

(1) Involuntary SMA may be granted when an employee is compelled to maintain Family members somewhere other than at the post of assignment because of adverse, dangerous, or notably unhealthy conditions. Employees must submit SF 1190 annually verifying Family member status, and must report any changes in such status affecting payment (for example, divorce) to the CHRA LQA Office within 30 days after the change.

NOTE: Failure to report significant changes may result in disciplinary action against the employee, including separation from Federal service.

(2) Voluntary SMA may be granted for only one of the following reasons (the provisions in the DSSR, sections 262.2 and 264.2, will be strictly applied):

NOTE: Children must be under the age of 18 or incapable of self-support, unless they are attending secondary school.

(a) Short-term transitional situations based on a child’s school attendance at the time of the employee’s transfer. These requests generally may be approved for a duration necessary to complete a semester. If the child is a high-school senior, voluntary SMA may be approved for the entire school year.

(b) Short-term periods based on medical conditions of a Family member. These requests must include current, acceptable documentation of the Family member's medical condition from the responsible healthcare provider. Approval of such requests will not exceed 1 year and will consider availability of adequate medical care in the foreign area of the post of assignment.

d. Post Hardship Differential. Hardship differential as authorized by the DSSR, section 540, may be granted to employees who are eligible for LQA according to the DSSR, section 031 (even if they do not meet other LQA eligibility criteria under this regulation) and who are deployed to differential posts or places designated for the allowance.

APPENDIX A

LIVING QUARTERS ALLOWANCE ALLOWABLE COSTS

A-1. [Table A-1](#) must be used in connection with the provisions of this regulation. Changes in living quarters allowance (LQA) provisions that differ from those in previous tables of allowable costs are effective the date of this regulation and are intended for future implementation only, unless otherwise determined by the proponent.

	Expense	Allowed for		
		Multi-unit dwelling*	Single-unit dwelling*	Privately owned quarters
1	Rent	yes	yes	yes
2	Electricity	yes	yes	yes
3	Fuel for heat and cooking	yes	yes	yes
4	Water and Sewage	yes	yes	yes
5	Garbage and Trash Disposal	yes	yes	yes
	Garage or designated parking space, separate rental	yes	yes	no
7	Furniture rental	no	no	no
8	Insurance	no	no	no
9	Taxes	yes	yes	no
10	Contract or lease registration fee only in the following countries: Italy: ½ of the total fee France: ½ of the total fee Brussels, Belgium (no other location in Belgium): total fee	yes	yes	no
11	Maintenance fees for Alarm System (Belgium only)	yes	yes	no
12	Rental deposit, property deterioration, or renovation fee	no	no	no
13	<i>Tassa Servizi Indivisibili (TASI)</i> (Italy only)	yes	yes	no
14	Condominium Fees	yes	no	no
14a	Indoor and outdoor common area lighting, water and heating	yes, including POQ when POQ is an apartment or townhouse	no	no
14b	Maintaining indoor and outdoor common areas such as stairwells, elevators, lawns, sidewalks, driveways, parking areas	yes, except POQ when POQ is an apartment, townhouse	no	no
14c	Central heating and cooling system inspection, safety inspection and related cleaning (for example, chimney sweep)	yes, including POQ when POQ is an apartment or townhouse	no	no

***NOTE:** [Paragraph A-2](#) defines “multi-unit dwelling” and “single-unit dwelling.”

A-2. The following terms are used in [table A-1](#):

multi-unit dwelling

Quarters with common costs shared among units when the quarters occupied by the employee are included in the shared arrangement. A row house will be treated as a multi-unit dwelling when common costs are shared among tenants. Personally owned quarters may be considered under the multi-unit dwelling definition for the cost of heat, light, fuel, as well as garbage and trash removal when the employee-owner participates in the condominium fee arrangement with other owners. Normally, this will be applicable to personally owned apartments.

single-unit dwelling

Detached houses and row houses in which each house is separately managed and not part of a shared cost arrangement

GLOSSARY

SECTION I ABBREVIATIONS

AE	Army in Europe
AO	area of operations
APF	appropriated fund
CG	commanding general
CHRA	Civilian Human Resources Agency
CONUS	continental United States
CPAC	civilian personnel advisory center
CPD	Civilian Personnel Directorate, Office of the Deputy Chief of Staff, G1, Headquarters, United States Army Europe
DA	Department of the Army
DFAS	Defense Finance and Accounting Service
DOD	Department of Defense
DODI	Department of Defense Instruction
DSSR	Department of State Standardized Regulations
FTA	foreign transfer allowance
HHG	household goods
HQ USAREUR	Headquarters, United States Army Europe
JTR	Joint Travel Regulations
LQA	living quarters allowance
MDR	management-directed reassignment
NAF	nonappropriated fund
NTS	nontemporary storage
OCONUS	outside the continental United States
OHA	overseas housing allowance
OPM	U.S. Office of Personnel Management
PCS	permanent change of station
PDS	permanent duty station
POQ	privately owned quarters
SF	standard form
SMA	separate maintenance allowance
TCS	temporary change of station
TDY	temporary duty
TQSA	temporary quarters subsistence allowance
USAREUR	United States Army Europe
VAT	value-added tax

SECTION II TERMS

appointed

Refers to an initial appointment within the first year after separation from military service or civilian employment. Within this context, the civilian employment is limited to Federal civilian employment only and does not extend to former contractor employees.

formal offer of employment

For the purpose of LQA determinations, the act of extending a tentative offer of employment is considered the formal offer of employment.

hard-to-fill position

A position validated and approved by the Civilian Human Resources Agency (CHRA), in coordination with organizational leaders, that require an employee with unique skills, knowledge, or abilities. These positions usually have a documented recruitment history of at least 6 months that clearly shows it is difficult to find qualified employee candidates within a broad area of consideration. If positions are newly created or have no current recruitment record, the CHRA will use documentation from similar positions in similar locations to evaluate the positions or determine that because of uniqueness, special conditions or location of a position, LQA will be required to attract available candidates with the required skills.

permanently residing

For the purpose of determining “local hire status” (employees recruited outside the United States), permanent residence is the actual physical presence of an applicant overseas for more than merely a transitory or tourist purpose, regardless of the applicant’s home of record or legal residence.

personally owned quarters

Quarters occupied by the employee that are owned by the employee or the spouse, or the domestic partner, or both, for which LQA is received

reasonable proximity to post of assignment

For purposes of this regulation, the reasonable proximity to the post of assignment is within a radius of the post of assignment that spans about 50 miles or 80 kilometers. Requests for exception to this residence requirement in extraordinary cases, such as medical requirements of Family members, may be submitted to the Civilian Personnel Directorate, Office of the Deputy Chief of Staff, G1, HQ USAREUR, for consideration.

NOTE: According to the DOD Joint Travel Regulations (JTR), a distance of at least 50 miles generally warrants a paid permanent change of station for employees with transportation agreements. Maintaining a residence more than 50 miles away from a permanent duty station in addition to a granted paid move under the JTR is inconsistent with the concept of residing at the post of assignment in the Department of Defense Standardized Regulations.