

Relocating Federal Civilian Employees: Understanding the Basics

Employee relocation in the federal government is also referred to as a Permanent Change of Station (PCS). Agencies may offer relocation benefits to new or current employees when the move is in the best interest of the government. Employee relocation is a critical tool to help agencies position skilled employees optimally and for workforce recruitment, retention, and development. New to Employee Relocation document is a helpful introduction to understanding employee relocation. The [Federal Travel Regulation \(FTR\) Chapter 302](#) provides the general rules for employee relocation eligibility and the mandatory and discretionary benefits offered to federal employees. For more information on the benefits available for a specific move profile, see [41 CFR 302-3](#).

Eligibility

Once the agency has determined that the position is eligible for relocation, the employee's eligibility is evaluated based on the FTR. To meet the distance test, in accordance with FTR, the employee's commute must increase by at least 50 miles. If the employee has a commute of 10 miles to his/her former duty station, then the new duty station must be at least 60 miles from his/her current residence. Employees must sign a service agreement prior to initiating any relocation services. The service agreement is a written agreement between the employee and the agency stating that the employee will remain in the service of the Government for a specified period of time, not less than 12 months for moves within the continental United States. See the [FTR Chapter 302](#) for more details on eligibility and time requirements.

Relocation Benefits

Title 5-bound agencies must offer relocation benefits according to guidelines in the FTR; however, the FTR allows agencies some latitude to adjust program provisions to balance agency budgetary goals and mission needs. Relocation reimbursements and allowances that the agency must pay are typically called entitlements. The FTR also specifies relocation allowances that an agency may choose to offer. The FTR does not serve as the agency's relocation policy. Instead agencies must develop their own policies built within the framework of the regulation. There are minimum amounts of certain entitlements or benefits that agencies must offer and maximums that agencies may not exceed. Agencies have some discretion to develop programs that support their talent management goals and mission objectives.

Relocating from Origin Duty Station to New Duty Station

For an employee to relocate their family from the current duty station to the new duty station, they will need to move the family's household goods and personal belongings, travel to the new location, sell or break an existing lease, and buy or rent a home at the new duty station. The employee may need to travel to the new location prior to the report date to look for a new home. The employee may also require temporary housing and storage of household goods until they can move into the new residence. Additionally, the employee will incur miscellaneous costs for items incidental to moving, such as a new driver's license and license plates, appliance hook up, new window treatments, etc. The FTR lists the benefits that help the employee relocate without significant out of pocket costs. For example, transferring government employees receive more than employees new to the government. Employees sent on assignments to a foreign country receive a different set of benefits.

What Not to Do

The Office of Government-wide Policy published the [Government Relocation Advisory Board \(GRAB\) Report](#) that highlights the best practices for a cost effective relocation policy. Agencies are discouraged from providing assistance through a “do-it-yourself” model. Agencies are required, per the FTR, to provide relocating employees with entitlement counseling, ideally, prior to the employee accepting the transfer.

Too often, agencies provide the counseling but then leave their employees to their own devices to navigate through the various aspects of their relocations. An employee who manages his/her own relocation generally:

- takes longer to relocate
- costs the agency more
- is dissatisfied
- is distracted

The chart on the right shows the typical life cycle of a relocation for an employee who owns a home. When the employee is left to coordinate services and sell the home without assistance, or secure a new home without guidance, the steps in the process typically take longer. This often leads to frustration, loss of productivity, and causes other costs to increase, such as those for temporary quarters and storage of household goods. For moves with a quick report date, the employee is juggling many of these steps simultaneously.

A Better Way

Agencies may offer their employees a variety of services to support them throughout their moves. These services are available through Employee Relocation Service Centers, procured through GSA Schedule SIN 531, or contracted independently. Some of the most requested services include entitlement counseling, home sale services, destination assistance, move management services, property management, and expense management.

Effective relocation management requires extensive knowledge and expertise in a variety of areas. Helping your employees by using relocation subject matter experts and incorporating a well-structured homesale program will increase efficiency, support your employees, and save time and money. For

Typical Relocation Cycle for a Homeowner



example, by using a Relocation Services Company (RSC) and offering a homesale program, an employee can obtain equity from the home once he/she has secured a buyer. Most often, a homeowner does not have the financial resources to close on the purchase of a new residence until they have closed on the sale of the former home and obtained that equity to reinvest in the new home. In those situations, the employee must market his/her home indefinitely until he/she finds a buyer (usually 90 to 120 days), and then the employee must close the sale (usually an additional 30 to 60 days). If the employee has already moved to the new duty station, he/she would be paying duplicate housing costs at the old and new locations while marketing the former home and waiting on the home to close. Additionally, the employee is responsible for all of the maintenance, insurance, and taxes on the old home until it closes.

In a homesale program, the employee markets the home for a finite period (typically 60 days) and if they have not received an offer from a buyer by the end of that period, the RSC will buy the home and assume the rights and responsibilities of ownership. The employee will obtain most of his/her equity upon acceptance of the offer from either an outside buyer or the RSC. That early access to equity enables the relocating employee to finalize the purchase of a new home sooner. This may result in the employee moving his/her household goods door-to-door faster and avoiding significant costs of temporary housing. This is just one example of the efficiencies that may be gained by incorporating relocation best practices into your agency's program.

The Employee Relocation on the Acquisition Gateway provides more specific relocation- related information. If you have additional questions, please contact GSA's Employee Relocation Resource Center (ERRC) via email at errc@gsa.gov.