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Headquarters
United States Army, Europe, and Seventh Army
United States Army Installation Management Agency
Europe Region Office
Heidelberg, Germany

Army in Europe
Regulation 690-500.592*

18 November 2005

Civilian Personnel

Civilian Personnel Living Quarters Allowance

***This regulation supersedes AE Regulation 690-500.592, 20 June 2003.**

For the CG, USAREUR/7A:

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Summary. This regulation prescribes policy for authorizing living quarters allowance (LQA) to appropriated fund civilian employees of the U.S Army in Europe.

Summary of Change. The revision—

- Updates terms and organization names throughout.
- Revises program administration policy (para 4).
- Revises responsibilities to define them more clearly and to show new organizational structures and relationships (para 5).
- Updates procedures for reconciling expenses (para 6).
- Identifies exclusions to the 1-year residency requirement for employees recruited in the United States and revises information on the use of military travel and transportation entitlements and their effect on LQA eligibility (para 7a).
- Updates information on Government quarters (para 7b).
- Updates information on types of waivers and waiver procedures, and identifies the DOD waiver provisions that will be considered for approval in the European theater (para 8).
- Updates information on determining LQA rates (para 10). Specifically, it removes the requirement to commute daily from and to quarters located outside the boundaries of the post of assignment (para 10a), adds information concerning civilian employees who are married to military members (para 10c), and adds information about rates for senior employees in quarters group 4 (para 10d).
- Delegates the approval authority for the 5-day overlap of LQA and temporary quarters subsistence allowance (TQSA) and extension of TQSA payments to local commanders and heads of organizations (para 11).

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Applicability. This regulation applies to U.S. appropriated fund civilian employees who are serviced by the Civilian Human Resources Agency, Europe Region (CHRA-E), and paid by the Defense Finance and Accounting Service unless excluded under the terms of a civilian personnel-servicing agreement. This regulation does not apply to employees in the Senior Executive Service. AE Regulation 215-3 prescribes policy and procedures for nonappropriated fund (NAF) employees.

Supplementation. Organizations will not supplement this regulation without the USAREUR G1 (AEAGA-CE) approval.

Forms. AE and higher-level forms are available through the Army in Europe Publishing System (AEPUBS).

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 available on the Army Records Information Management System website at <https://www.arims.army.mil>.

Suggested Improvements. The proponent of this regulation is the USAREUR G1 (AEAGA-CE, DSN 375-2551). Users may suggest improvements to this regulation by sending DA Form 2028 to the USAREUR G1 (AEAGA-CE), Unit 29351, APO AE 09014-9351.

Distribution. C (AEPUBS).

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Glossary

1. PURPOSE

This regulation—

a. Implements policy for paying living quarters allowance (LQA) to appropriated fund (APF) civilian employees of the U.S. Army in Europe, unless they are excluded under the terms of a civilian personnel servicing agreement. Employees authorized LQA must be—

(1) Serviced by the Civilian Human Resources Agency, Europe Region (CHRA-E).

(2) Paid by the Defense Finance and Accounting Service (DFAS).

b. Must be used with the Department of State Standardized Regulations (DSSR) and DOD 1400.25-M, subchapter 1250.

2. REFERENCES

a. Publications.

(1) Joint Federal Travel Regulations (JFTR), volume 1, Military Members (<https://secureapp2.hq.da.pentagon.mil/perdiem/trvl/regs.html>).

(2) Department of State Standardized Regulations (DSSR) (<http://www.state.gov/mla/als/c1843.htm>).

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(3) DOD Directive 1404.10, Emergency-Essential (E-E) DOD U.S. Citizen Civilian Employees (<http://www.dtic.mil/whs/directives/corres/html/1441o.htm>).

(4) DOD 7000.14-R, Department of Defense Financial Management Regulations (FMRs) (<http://www.dtic.mil/whs/directives/corres/html/700014r.htm>).

(5) DOD 1400.25-M, subchapter 1250, Overseas Allowance and Differentials (<http://www.dtic.mil/whs/directives/corres/html/140025m.htm>).

(6) AR 25-400-2, The Army Records Information Management System (ARIMS).

(7) AR 690-950, Career Management.

(8) AE Regulation 215-3, Nonappropriated Fund Personnel Policy and Procedures.

b. Forms.

(1) SF 1190, Foreign Allowances Application, Grant, and Report.

(2) DA Form 2028, Recommended Changes to Publications and Blank Forms.

3. EXPLANATION OF ABBREVIATIONS AND TERMS

The glossary explains abbreviations and terms.

4. PROGRAM ADMINISTRATION

To be considered eligible for allowances covered by this regulation, employees must meet the basic eligibility requirements of DSSR, section 031.11 and section 031.12a and b. DFAS adjusts LQA payments based on fluctuating currency exchange rates and biweekly rate updates published by the U.S. Department of State.

5. RESPONSIBILITIES

a. The CHRA-E will—

(1) Determine the employee's eligibility for LQA before the employee is appointed.

(2) Advise employees about eligibility, entitlements, and submission of required documents.

(3) Give employees advice and assistance on how to complete SF 1190.

(4) Inform employees of the following (in writing):

(a) Employees must provide receipts for actual utility expenses no more than 15 months after occupying permanent quarters.

(b) The utilities portion of LQA payment will be suspended if receipts are not submitted by established suspense dates.

(c) CHRA-E may extend suspense dates in circumstances beyond the employee's control.

(5) Review the employee's SF 1190 and receipts for allowances to ensure the form is complete, and forward the form to the Civilian Personnel Operations Center (CPOC) for processing.

(6) Reconcile LQA expenditures for the first year the employee resides in quarters in the overseas area according to paragraph 6.

(7) Review the SF 1190 and receipts for accuracy and completeness and enter the information from the SF 1190 into the Defense Civilian Personnel Data System.

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(8) On receipt of a request to designate a position as hard-to-fill (glossary), review recruitment records and the requester's documentation, determine if criteria are met, and approve or disapprove the request.

(9) Keep a list of hard-to-fill positions on the CHRA-E website at <http://www.chra.eur.army.mil/>, and review the list every 2 years to ensure the positions still meet the criteria.

(10) Send waiver requests, cases that are precedent setting, and cases where special conditions are met to the Civilian Personnel Directorate (CPD), Office of the Deputy Chief of Staff, G1, HQ USAREUR/7A, for final determination.

b. The CPD will—

- (1) Review and make final determinations on precedent-setting requests.
- (2) Review and make final determinations on requests for waivers (para 8).
- (3) Make eligibility determinations on individual cases when special conditions are met.
- (4) Review and determine eligibility for separate maintenance allowance (SMA).
- (5) Provide guidance on interpretation of this regulation.

c. Employees will—

(1) Provide copies of their rent or lease agreements to the civilian personnel advisory center (CPAC) with an SF 1190 to initiate a claim for LQA.

(2) Provide copies of receipts and an SF 1190 to the CPAC at the end of periods of temporary quarters subsistence allowance (TQSA).

(3) Provide copies of utility bills when required by the CPOC for reconciliations according to paragraph 6.

(4) Inform the CPAC when significant changes in costs or family status occur and when the employee moves to a new residence.

(5) Review leave and earnings statements to ensure pay received is accurate. Employees should immediately notify the CPAC if there are errors.

(6) Make payments on time according to the contract with the landlord or property owner. Failure to do so may be grounds for terminating LQA and recouping the amount of LQA already paid. Nonpayment of obligations documented on SF 1190 while drawing LQA may be construed as misuse of LQA. Proven misuse of LQA may result in disciplinary action against the employee (including separation from Federal service).

d. Heads of organizations that believe they have hard-to-fill positions will send a request to designate the position as hard to fill to the CPOC through the servicing CPAC. The request must include detailed documentation that shows what efforts were made to fill the position and the results of those efforts over the previous 6 months; or the request must indicate that the position is newly established and has no current recruitment record.

6. RECONCILIATION OF EXPENSES

a. Mandatory Reconciliation. Employees must submit an initial reconciliation at the end of the first year of the rental period. When utility costs are based on estimates, employees will submit receipts for all utilities to the CPAC at the end of the first year, but not later than 15 months, after the grant is initiated. Authorization for the utilities portion of LQA will be suspended if receipts for all utilities have not been received within 15 months. Extensions may be granted for circumstances beyond the employee's control. When receipts for all utilities are submitted, a reconciliation and one-time retroactive adjustment in the grant will be made.

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b. Voluntary Reconciliation. While there are no requirements for reconciliations in addition to the initial one described in subparagraph a above, employees may request reconciliations whenever they believe that a significant change in expenses has occurred. The purpose of this provision is to correct unusual gains or losses to the employee. Changes in LQA payments based on these reconciliations will be prospective only (affect future payments). In rare cases reconciliations may lead to retroactive reimbursements. A retroactive reimbursement, however, will be limited to the date of the change that caused the over- or underpayment, or no more than 18 months before the date of the submitted claim, whichever is later. The claim must be submitted within 60 days after receiving notification from the utility company or the landlord.

7. ELIGIBILITY

a. LQA Authorization. LQA is a payment intended to cover substantially all average allowable costs for suitable, adequate lodging and selected utilities. LQA will be granted for the following APF employees:

(1) Employees recruited in the United States or its possessions for positions at grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above. This includes employees selected for entry-level positions with target grades at or above these grade levels. Grade restrictions do not apply to applicants selected for hard-to-fill positions or career program positions (AR 690-950 or appropriate agency career program guidelines) below the GS-09 (or equivalent) level. Employees who previously vacated an outside the continental United States (OCONUS) civilian or contractor position must have resided permanently in the United States for at least 1 year immediately before accepting the formal job offer. This 1-year residency requirement does not apply to—

(a) Employees serving on a mandatory mobility agreement.

(b) Applicants hired into hard-to-fill positions.

(c) Applicants who were civilian or contractor employees serving overseas in an area where family members were not authorized on an assignment that provided for their return transportation to the United States.

(2) Employees who are recruited from outside the United States or its possessions for positions in grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above. This includes employees selected for entry-level positions with target grades at and above these grade levels. Grade restrictions do not apply to applicants selected for hard-to-fill positions or career-program positions below the GS-09 (or equivalent) level. NAF employment will be considered in determining “substantially continuous employment” as long as DSSR provisions are met. Former military members and civilian employees will be considered to meet the DSSR, section 031.12, eligibility requirement of “substantially continuous employment” if they are appointed within 1 year after the date of separation or when the transportation entitlement is lost, whichever occurs first. Active Reserve duty performed during the 1-year period will extend that period by the amount of time served. The following conditions will not affect LQA eligibility:

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

(b) A family member’s early return to the United States or U.S. territories.

(c) Shipment of HHG to the United States or U.S. territories in conjunction with the family member’s early return.

(d) Shipment of a privately owned vehicle (POV) in unusual cases (for example, the POV is shipped for use by a family member). CPD will make eligibility determinations on an individual basis.

(e) A short-distance HHG move at Government expense (authorized for separating military members) from vacated Government quarters to temporary storage or to a temporary residence in the vicinity of the vacated quarters. This is a separate Joint Federal Travel Regulations (JFTR), volume 1, entitlement and does not affect the travel and transportation entitlements authorized on the separation orders.

(f) Storing HHG in NTS on separation or retirement from the military. This is a separate JFTR, volume 1, entitlement and does not affect the travel and transportation entitlements authorized on the separation orders.

(3) Federal civilian or NAF employees selected for or converted from NAF to positions in grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above; or a position that has an equivalent target grade; a hard-to-fill position; or a career program position at any grade; who meet all of the following:

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(a) Are transferring to the European theater from another overseas Government activity or agency without a break in service.

(b) Meet basic eligibility criteria in DSSR, section 031.11 or 031.12a and b.

(c) Were already receiving or eligible to receive LQA at the time of selection.

b. Government Quarters. The employee will not be eligible to receive LQA for renting or purchasing privately owned quarters (POQ) when suitable and fully adequate Government quarters are offered for the duration of the overseas tour and the employee elects not to accept them. The CPD will inform the CHRA-E when Government quarters are available.

8. OVERPAYMENTS AND WAIVERS

a. Collection of Overpayments. Overpayments of LQA based on an employee's failure to submit all required receipts will not be waived locally. Overpayments will be processed for collection by administrative offset against the employee's current pay account. The employee will have the overpayment deducted from future pay.

b. Local Waivers of Erroneous Overpayment of LQA. Employees may request a waiver of a claim against them for an erroneously authorized LQA payment only if the employee has documented evidence that proves the overpayment was based on an erroneous eligibility determination and there is no indication of fraud, misrepresentation, fault, or lack of good faith on the part of the employee. The waiver may be granted only when the deficiency that led to the erroneous payment is based on requirements in this regulation that are in addition to those in the DSSR, and there is no indication of fraud, misrepresentation, fault, or lack of good faith on the part of the employee.

c. Head of Agency Waivers. Waiver requests for overpayments of authorized allowances, and waivers of unauthorized allowances based on eligibility factors that are not locally governed (those under DOD 7000.14-R, vol 8, para 80306) may be submitted through the supervisor and CHRA-E to the USAREUR G1 (AEAGA-CE), Unit 29351, APO AE 09014-9351. The CPD will review claims and forward them with appropriate recommendations to the decision-making authority.

d. DOD Waiver Provisions.

(1) The provisions of DOD 1400.25-M, subchapter 1250, paragraph 5.1.1.2.2, which delegates waiver-approval authority to major commands, will be exercised in the following situations:

(a) The sponsoring spouse dies (para 5.1.1.2.2.1).

(b) The sponsoring spouse becomes physically or mentally incapable of continued employment with the Government (para 5.1.1.2.2.2).

(c) The sponsoring spouse left the post or area permanently (para 5.1.1.2.2.4).

(d) Spouses could not maintain a common dwelling because of the relocation of either spouse's workplace (para 5.1.1.2.2.5).

(e) The employee is an incumbent of a position designated as emergency-essential and is serving in a deployed theater according to DOD Directive 1404.10 (para 5.1.1.2.2.6).

(2) The restrictions of corresponding provisions outlined in DOD 1400.25-M, subchapter 1250, paragraph 5.1.1.2.2, will be applied and employees must meet the requirements of this regulation (AE Reg 690-500.592).

(3) Employees may submit waiver requests and required documentation through their supervisor and CHRA-E to the USAREUR G1 (AEAGA-CE), Unit 29351, APO AE 09014-9351. Eligibility determinations will be made on an individual basis.

9. CONTINUING ELIGIBILITY

Unless otherwise prescribed, all employees who met the eligibility criteria in prevailing regulations at the time of appointment but who do not meet the criteria of this regulation will continue to receive LQA. Additionally, if an employee is receiving LQA based on occupying a hard-to-fill position and leaves that position, the employee's LQA will continue. LQA in such cases will continue as long as the employee remains employed in a position covered by this regulation without a break of service of more than 3 calendar days. This provision—

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a. Does not apply to certain former NAF employees who received LQA based solely on a local commander's waiver authority. These employees retained the allowance on employment in an APF position, but did not meet the eligibility requirement of the DSSR and DOD regulations and subsequently had LQA terminated as mandated by the Fiscal Year 1996 Authorization Act.

b. Will not extend or reinstate payment of LQA when law, regulation, or policy directed termination of payment.

10. DETERMINING LQA RATES

Maximum LQA rates are issued and periodically updated by the Department of State.

a. Post of Assignment. The amount of entitlement is based on the employee's post of assignment, grade, and number of family members residing with the employee. An employee who maintains and lives in quarters outside the boundary of his or her official post of assignment will be granted the LQA rate appropriate to the specific post of assignment. When an employee maintains more than one residence in the overseas area, he or she may properly submit expenses for LQA reimbursement for whichever residence the employee designates as primary.

b. LQA for Inherited Quarters. LQA for an inherited POQ is restricted to reimbursement of actual costs incurred.

c. LQA for Civilian Employees Married to a Military Member. The military member receives basic allowance for housing (BAH) according to established payment of BAH at the "with dependent" or "without dependent" rate as applicable. The civilian spouse of a military member must provide evidence of the military member's allowance entitlement before a determination of "with family" or "without family" rate of LQA will be made. With proof of the military member's allowance claim, the spouse will be granted LQA according to DSSR, section 134.13c.

d. Rates for Senior Employees in Quarters Group 4. Employees defined in DSSR, section 135.5c, who are in quarters group 4 and have 15 years of U.S. Government service will be placed in quarters group 3. Government service includes Federal civilian, NAF, and military service.

11. OTHER ALLOWANCES AND REIMBURSEMENTS

a. TQSA. TQSA is authorized for newly appointed or transferred employees who are eligible for LQA. It 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. The amount of TQSA payable is a percentage of the per diem rate applicable to the post of assignment or actual cost, whichever is less. The DSSR establishes per diem rates and percentage payable.

(1) Local commanders and heads of organizations are authorized to approve an additional period of up to 60 days of TQSA for compelling reasons beyond the employee's control. The SF 1190 will be processed by the CHRA-E. Documentation of the reasons must be placed in the TQSA file.

(2) If the employee has not secured permanent quarters when arrival TQSA ends, LQA will replace TQSA at the rate applicable to the post of assignment.

(3) Local commanders and heads of organizations are authorized to approve simultaneous payment of LQA and TQSA for up to 5 days after residence quarters are vacated to meet heavy cleaning or repair requirements imposed by the rental agreement. In these cases the CHRA-E will prepare the SF 1190.

b. Foreign Transfer Allowance (FTA).

(1) Requests for extension of a 10-day predeparture subsistence expense must be submitted to the USAREUR G1 (AEAGA-CE), Unit 29351, APO AE 09014-9351, for determination.

(2) The CHRA-E will determine eligibility for the lease-penalty expense portion of FTA according to the DSSR, section 242.4.

c. SMA. Requests for involuntary and voluntary SMA must be sent to the USAREUR G1 (AEAGA-CE), Unit 29351, APO AE 09014-9351, for determination.

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(1) Involuntary SMA will 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.

(2) Voluntary SMA will be granted only for one the following reasons:

(a) A short-term transitional situation based on school attendance of the employee's child at the time of the employee's transfer. These requests may be approved for the completion of the semester. If the child is a high-school senior, SMA will be approved for the entire schoolyear. In this situation, children must be under the age of 18 or incapable of self-support, unless they are attending secondary school.

(b) Periods based on medical conditions of a family member. These requests must include complete documentation of the family member's medical condition.

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GLOSSARY

SECTION I ABBREVIATIONS

AE	Army in Europe
APF	appropriated fund
BAH	basic allowance for housing
CHRA-E	Civilian Human Resources Agency, Europe Region
CPAC	civilian personnel advisory center
CPD	Civilian Personnel Directorate, Office of the Deputy Chief of Staff, G1, Headquarters, United States Army, Europe, and Seventh Army
CPOC	Civilian Personnel Operations Center
DA	Department of the Army
DFAS	Defense Finance and Accounting Service
DOD	Department of Defense
DSSR	Department of State Standardized Regulations
FTA	foreign transfer allowance
HHG	household goods
HQ USAREUR/7A	Headquarters, United States Army, Europe, and Seventh Army
JFTR	Joint Federal Travel Regulations
LQA	living quarters allowance
NAF	nonappropriated fund
NTS	nontemporary storage
OCONUS	outside the continental United States
POQ	privately owned quarters
POV	privately owned vehicle
SF	standard form
SMA	separate maintenance allowance
TQSA	temporary quarters subsistence allowance
USAREUR	United States Army, Europe

SECTION II TERMS

appointed

For purposes of this regulation, an initial appointment or any type of permanent placement action following the initial appointment within the first year after separation from military service or civilian (Government or contractor) employment.

hard-to-fill position

Positions validated and approved by CHRA-E in coordination with organizational leadership that require employees with unique skills, knowledge, or abilities. These positions usually have a documented 6-month recruitment history that shows how hard it is to find qualified employee candidates within a broad area of consideration. If positions are newly created or have no current recruitment record, the CHRA-E will use documentation from similar positions in similar locations to evaluate the positions.

physical residency

For the purpose of determining local-hire status, physical residence is the actual permanent 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. Applicants recruited from the United States who were present overseas based on orders for unaccompanied assignments that provided for their return transportation to the United States will be considered to be permanently residing in the United States for eligibility purposes. The time spent overseas under such conditions will be viewed as physical presence in the United States, and the time will count toward meeting the residence requirement.