

The GSA logo consists of the letters "GSA" in a white, sans-serif font, positioned to the right of a white five-pointed star. This logo is set against a solid blue square background.

GSA

A horizontal banner featuring a stylized American flag with red and white stripes and a field of white stars on a dark blue background.

U.S. General Services Administration
Office of Governmentwide Policy

Relocation Change is Coming!

National Travel Forum
June 4, 2008

Briefing topics

- GRAB Background
 - GSA Action Plan
- FTR 302 Changes Completed
 - Upcoming FTR 302 Changes
 - Legislative Proposals
 - Taxes
- GSA's Work to Provide Continuity of Home Sale Services
 - Centralizing Management of Relocation
 - Time for Your Questions

GRAB Goals

- Identify opportunities to streamline relocation processes
- Improve agencies' abilities to monitor and manage relocation expenditures and adherence to policies
- Recommend changes to the Federal Travel Regulation consistent with corporate best practices
- Identify areas where the Government could reduce administrative burden, process variability, and costs of managing relocations

GSA Action Plan for GRAB

- Establish the Executive Relocation Steering Committee
- Develop and submit legislative proposals
- Work on two large sets of regulatory changes
- Refine the concept and plans for the Relocation Resource Centers
- Develop a governmentwide relocation data collection process
- Replace the regulation on relocation taxes



FTR Changes Completed This Year

- Eliminated the tiered mileage rates for en route travel by POV – adopted the IRS mileage allowance for use of a POV for moving purposes – now at 19 cents
- Public Law 109-325 extended the relocation test program for an additional 4 years. Final rule implements that authority
- Published RITA rates for 2007 (and working on a better way for future years)

Significant Upcoming FTR 302 Changes – Package #1

- Status: Signed by GSA Administrator – waiting for OMB approval
- Reduces relocation and extensions from 2 years with a 2 year extension to one year with a possible one year extension
- Tightens the decreasing tiered reimbursement for Temporary Quarters Subsistence Expense (TQSE)
- Allows 2000 lbs. for packing household goods
- Establishes policies for UAB and PBP&E

Significant Upcoming FTR 302 Changes – Package #1 Cont'd

- Reduces time limits on storage in transit for CONUS shipments to 90 + 60 days
- Limits CONUS POV shipment to 2
- Encourages lump sum payments for TQSE.
- Reinforces the requirement to collect and report relocation data to GSA
- Defines a “comprehensive, automated relocation management system” and urges agencies to move toward such systems

Significant Upcoming FTR 302 Changes – Package #2

- Status: Comments on proposed rule being incorporated into a final rule at GSA
- Use locality rate per diem for lump sum househunting trips and standard CONUS per diem for actual expense househunting trips
- Allow broader use of the MEA

Significant Upcoming FTR 302 Changes – Package #2 Cont'd

- Require agencies to consider using comprehensive home-sale programs
- Direct the agencies to give first consideration to buyer value home option sales and second consideration to amended value home sales
- Make direct reimbursement for home sales a non-preferred option, though still allowed
- Require employees in home sale programs to participated in counseling
- Establishes the standard BVO pattern as 30 days' listing at the employee's price, and 60 days' listing at no more than 105% of the RMC's appraisal, plus permission to the agencies to change the time periods and the 105% to suit their needs

Legislative Proposals – Page 1

- Adopt a lump sum for miscellaneous expenses, to be revised periodically by GSA
- Reduce TQSE days to 30 + 30
- Eliminate commuted rate HHG shipments
- Allow POV rental before POV arrives
- Allow storage of POV when it can't be shipped
- Allow spousal employment assistance
- Make test program authority permanent

Legislative Proposals – Page 2

- Reimburse HHT subsistence for family
- Expand relocation benefits for new appointees
- Pay rental brokers fees where customary
- Require that every large agency manage relocation using a comprehensive, automated relocation management system
- Require that every large agency provide separate, annual reports on relocation and travel
- Require that every large agency designate a senior executive to oversee relocation

Taxes on Relocation Expenses

- Some of the GRAB recommendations that we are looking at:
 - One-year process
 - Use taxable income from the employee's 1040 instead of earned income from W-2
 - Using actual tax rates and brackets from the states and localities instead of GSA's tables
 - Eliminating Year 2 Federal Marginal Tax Rate
 - Adjusting for excess Social Security and Medicare withholding (requires legislation)

GSA's Work to Provide Continuity of Home Sale Services

- Established a standing customer advisory group
- Working closely with industry experts
- Developed a bridge solution:
 - Suspended for 60 days: “The contractor is obligated to accept orders received from (federal activities).”
 - Replaced it with: “The contractor is encouraged to accept orders received from (federal activities).”
 - Now requiring monthly reports from vendors
- Educating customers on their options
- Evaluating a new contract model
- GSA's business practice is to review Economic Price Adjustments when requested by vendors

Relocation Pilot Programs

- Public Law 109-325 extended the relocation test program for an additional 4 years. Final rule has implemented that authority.
- Customs and Border Protection is running a test of a lump sum program to cover all of the relocation
- Another agency has requested a different lump sum program.
- One agency has requested permission to test a one-year RITA process.

Current State of Federal Relocation Management

- Federal agency management of relocation is usually fragmented among acquisition, accounting, budget, finance, travel, transportation, and human resources.
- Comprehensive data on Federal agency relocation programs is difficult at best to compile – in many agencies it simply cannot be done.
- The private sector is moving toward centralization of relocation management, to achieve economies of scale and concentration of expertise.

Why Centralize Management of Relocation?

Centralization would:

- Ease data collection and analysis;
- Support economies of scale in contracting with relocation management companies and household goods carriers;
- Ensure consistent application of agency-wide policy;
- Achieve and maintain a critical mass of expertise in managing relocation;
- Ensure greater policy compliance; and
- Allow federal executives to make strategic adjustments in relocation policies

Contact Information

- Henry Maury
202-208-7928
Henry.Maury@gsa.gov
- Pam Silvis-Zelasko
202-208-5742
Pamela.Silvis-Zelasko@gsa.gov
- Ed Davis
202-208-7638
Ed.Davis@gsa.gov
- Rick Miller
202-208-3822
Rodney.Miller@gsa.gov

Time for Your Questions

