

DEPARTMENT OF DEFENSE EDUCATION ACTIVITY (DODEA)

THE FOREIGN ALLOWANCE OVERVIEW GUIDE



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DEPARTMENT OF DEFENSE EDUCATION ACTIVITY

FOREIGN ALLOWANCES

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FOREIGN ALLOWANCES

- Foreign allowances are governed by the Department of State Standardized Regulation (DSSR).
- The DSSR can be located on the [U.S. Department of State](#) website.

(Please note that when using the hyperlinks, once on the page, you will need to scroll to the appropriate section.)

TQSA

- TQSA is intended to assist in covering the average cost of adequate but not elaborate or unnecessarily expensive accommodations in a hotel, pension, or other transient-type quarters at the post of assignment, plus reasonable meal and laundry expenses for a period not in excess of 90 days after first arrival at a new post of assignment in a foreign area, ending with the occupation of residence quarters if earlier; or 30 days immediately preceding final departure from the post following necessary vacating of residence quarters.
- The 90 and 30 day temporary quarters subsistence periods may be extended up to but not more than an additional 60 days in each case if it is determined by the head of agency that compelling reasons beyond the control of the employee require continued occupancy of temporary quarters.

TQSA

UPON FIRST ARRIVAL TO NEW DUTY STATION

- The temporary quarters subsistence allowance grant to an employee upon first arrival at a new post, including an employee or family member occupying temporary quarters at no expense, (e.g. government-owned or leased housing), shall commence as of the applicable date shown below, or the date expenses for temporary lodging are incurred, if later:
 - The date the employee arrives at a new post.
 - The date a family member arrives at the new post prior to employee when the employee is delayed because of being ordered to report at another place for consultation or detail.
 - The effective date of transfer when the employee is already at the post to which transferred (in this instance the 90 day period begins on the date of transfer).
 - The date of return of the employee to the post after a temporary absence within the 90 days after first arrival (or the arrival of a family member if earlier), in circumstances where no temporary quarters subsistence allowance was paid for the period of the employee's absence.

TQSA

UPON FIRST ARRIVAL TO NEW DUTY STATION

- The temporary quarters subsistence allowance granted upon first arrival at a new post shall terminate as of the earliest of the following dates.
 - On the 91st day following first arrival of the employee or family member, if earlier, unless an extension is authorized under [Section 122.2](#) by the head of agency.
 - The date temporary quarters are no longer occupied.
 - The date of occupancy of residence (permanent) quarters.
 - The date of the employee's departure, or the date of departure of family members if later, under transfer orders. Where the employee's departure for transfer precedes that of family members, the temporary quarters subsistence allowance at his/her previous post shall not extend beyond the date immediately preceding the date of arrival at his/her new post.
 - The date of separation from a Federal agency.

TQSA

UPON FIRST ARRIVAL TO NEW DUTY STATION

- The amount of the temporary quarters subsistence allowance which may be reimbursed shall be the lesser of either the actual amount of allowable expenses incurred by the employee and family members for each time period or the amount computed as follows.
 - First Thirty Days
 - For the initial occupant (employee or family member age 12 or over), a daily rate not in excess of 75% of the per diem rate listed for the foreign post in [Section 925](#) of the Standardized Regulations (Government Civilians, Foreign Areas).
 - For each additional occupant, whether employee or family member age 12 or over, 50% of the per diem rate listed for the foreign post.
 - For each family member occupant under age 12, 40% of the per diem rate listed for the foreign post.
 - Second Thirty Days
 - For the initial occupant (employee or family member age 12 or over), a daily rate not in excess of 65% of the per diem rate listed for the foreign post in [Section 925](#) of the Standardized Regulations (Government Civilians, Foreign Areas).
 - For each additional occupant, whether employee or family member age 12 or over, 45% of the per diem rate listed for the foreign post.
 - For each family member occupant under age 12, 35% of the per diem rate listed for the foreign post.

TQSA

UPON FIRST ARRIVAL TO NEW DUTY STATION

- Third Thirty Days
 - For the initial occupant (employee or family member age 12 or over), a daily rate not in excess of 55% of the per diem rate listed for the foreign post in [Section 925](#) of the Standardized Regulations (Government Civilians, Foreign Areas).
 - For each additional occupant, whether employee or family member age 12 or over, 40% of the per diem rate listed for the foreign post.
 - For each family member occupant under age 12, 30% of the per diem rate listed for the foreign post.
- Additional Sixty Days
 - When the head of agency determines, on a case by case basis, that an extension of time is necessary due to compelling reasons beyond the control of the employee, up to an additional sixty days may be authorized, computed at the same rates established for the third thirty day period.
- Reduction When No Cost Quarters are Occupied
 - When no cost temporary housing is occupied by the employee an amount not to exceed one-half of the amount established in [Section 123.3](#) of the Standardized Regulation for each occupant shall be the maximum amount payable for actual meal, laundry and dry cleaning costs while occupying such quarters.

TQSA

PRECEDING FINAL DEPARTURE FROM CURRENT POST

- If the head of agency determines that it is necessary for an employee to occupy temporary quarters immediately preceding final departure from the post, the grant of a temporary quarters subsistence allowance may commence as of the latest of the following dates.
 - The date following the necessary vacating of government owned or leased quarters or termination of the living quarters allowance grant (exception: the head of agency or designee may determine that up to five days are required for payment of both the living quarters allowance and the temporary quarters subsistence allowance because the employee must necessarily vacate permanent residence quarters in order to comply with stringent lease requirements for cleaning and repair).
 - The date expenditures for temporary lodging are first incurred following the necessary vacating of residence quarters. However, see [Section 124.33](#) for employee occupying no cost temporary quarters.
- The agency head or designee may authorize the grant of temporary quarters subsistence allowance up to five days prior to the termination of the grant of living quarters allowance if such agency head or designee determines that it is necessary for the employee to vacate existing quarters in order to meet lease requirements for cleaning and repair.

TQSA

PRECEDING FINAL DEPARTURE FROM CURRENT POST

- A temporary quarters subsistence allowance granted immediately preceding the employee's final departure from the post shall terminate as of the earliest of the following dates.
 - On the 31st day following commencement of the grant unless an extension is authorized under [Section 122.2](#) of the DSSR by the head of agency.
 - The date expenses for temporary lodging are no longer incurred; however, see [Section 124.33](#) of the DSSR for employee occupying no cost temporary quarters.
 - The date of the employee's departure, or the date of departure of family members if later, under transfer orders. Where the employee's departure for transfer precedes that of family members, the temporary quarters subsistence allowance at the previous post shall not extend beyond the date preceding the date of the arrival of the new employee at the new post.
 - The date of separation from a Federal agency.

TQSA

PRECEDING FINAL DEPARTURE FROM CURRENT POST

- The amount of the temporary quarters subsistence allowance which may be reimbursed shall be the lesser of either the actual amount of allowable expenses incurred by the employee and family members for each time period or the amount computed as follows.
 - First thirty days
 - For the initial occupant (employee or family member age 12 or over), a daily rate not in excess of 75% of the per diem rate listed for the foreign post in [Section 925](#) of the Standardized Regulations (Government Civilians, Foreign Areas).
 - For each additional occupant, whether employee or family member age 12 or over, 50% of the per diem listed for the foreign post.
 - For each family member occupant under age 12, 40% of the per diem rate listed for the foreign post.
- Additional sixty days
 - When the head of agency determines, on a case by case basis, that an extension of time is necessary due to compelling reasons beyond the control of the employee, up to an additional sixty days may be authorized as follows.

LQA

- Living Quarters Allowance (LQA) is granted for the annual cost of suitable adequate housing for an employee and his/her family at the overseas duty station.
- LQA is designated to cover **substantially** all average allowable costs. They are **not intended to reimburse 100%** of all of an employee's quarters costs or to provide ostentatious housing.
- Examples of reimbursable expenses include rent, electricity, gas, and water.
- LQA is a reimbursement of substantially all costs for either temporary or residence quarters whenever Government-owned or Government-rented quarters are not provided to the employee without charge, **based on actual expenses NOT TO EXCEED** the maximum allowable.
- Actual expenses for rent and utilities may be paid up to the maximum authorized by regulations. [See Sections 135.3 and 135.4](#) of the DSSR for examples of rates and additional family member information (also see chart on slide 14).
- The maximum rates are set on an annual basis by the Department of State.
- Maximum rates are reviewed every two weeks and adjusted according to foreign currency fluctuations and interim reports.
- The maximum allowable rates depend on the employee's duty location, grade and dependents living with the employee.

LQA

- All employees should be informed that use of the local housing office to set-up their lease is **HIGHLY RECOMMENDED AND IN SOME AREAS REQUIRED**.
- The housing office can assist in the search for suitable quarters on the economy.
- The housing office should also approve the employee's quarters and rental contract to make sure the quarters are adequate, rental fees are fair and reasonable and conditions of the lease are equitable and understood.
- The housing office can also assist with landlord problems or complaints after occupancy of the quarters.

LQA

- An employee with more than one member of family at the post is eligible to receive an allowance up to the amount indicated by the LQA classification for “with family” in column 2, [Section 920](#) of the DSSR for his/her group plus the applicable amount shown below:
 - Members of Family
 - (excluding the employee) Additional Percentage of LQA
 - 2 - 3 10%
 - 4 - 5 20%
 - 6 or more 30%
- The additional amounts of LQA provided by this section shall not be added to the allowance rate provided under [Section 135.5b](#) of the DSSR.

LQA

- Employees assigned to certain overseas locations may be provided Government owned quarters.
- These quarters are in lieu of LQA.
- Employees in these areas should not expect to receive payment for quarters if assigned Government owned quarters.

LQA

- LQA entitlement will commence on the effective date of the rental contract (lease) or the date when quarters are occupied, whichever is later.
- The rental portion of LQA may include: rent, and landlord's fee and agent's fees if mandated by local law or custom.
 - If the rental amount includes these fees, reimbursement is paid to the employee in increments divided by the length of the lease.
 - Ex: Paid \$1,000 for agent's fee and signed a 1 year lease. The \$1,000 will be reimbursed to the employee over the course of 1 year.
- The utilities portion of LQA may include: electricity, gas, heat, trash, and water.

LQA

- LQA Rent entitlement:
 - Rental of garage space for one car for each employee, at NTE 25% of the employee's maximum annual LQA rate.
 - Basic furniture and equipment at NTE 25% of the employee's maximum annual LQA rate.
 - Insurance on rented property and/or furnishing if such insurance is required by local law to be paid by lessee.
 - Agent's fees (if customary).
 - Interest on loans from American institutions to finance "key money" paid to landlord.
 - Mandatory as opposed to optional fees required for maintenance of common areas.

LQA

- LQA Utilities entitlement :
 - Heat, Light , Fuel (including gas and electricity)
 - Water
 - Wood
 - Garbage /trash disposal
 - Mandatory fees for maintenance of common areas

LQA

- Initial estimate of utilities.
 - You will need to make an estimate of your utility cost. **NOTE: Utility over estimation is the major cause of all LQA Debt.**
 - It is recommended that you estimate low. When you submit your LQA Reconciliation after the first year if you were underpaid you will be reimbursed up to your maximum allowable. **If you have over estimated you will owe the government!**
 - Utilize the housing office and utilities companies to see if you can ascertain the previous occupants average cost of utilities.

LQA

- Items Not Allowed:
 - Concierge or Notary's fees
 - Telephone installation or maintenance
 - Deterioration of property or furnishings
 - Servant's wages or maintenance
 - Tips
 - Cleaning
 - Storage
 - Garden or lawn service (except as stated above)
 - Security deposit is not reimbursable since it is considered a refundable expense
 - Any other extraneous expense not directly related to rent/utilities

LQA

- With few exceptions, employees recruited from CONUS are required to live on the economy and may be entitled to receive LQA.
- LQA is generally not authorized to someone who is hired locally.
 - Locally hired employees must meet certain criteria to be eligible for LQA.
- Once eligibility is determined, the employee is required to submit specific documents to begin/change/suspend their entitlement.

LQA

PERSONALLY OWNED QUARTERS (POQ)

- In lieu of renting a property, some employees will purchase a home in the OCONUS area. These employees are still eligible to receive the rental portion of LQA payments up to 10% of the original purchase price of the property on an annual basis. The employee is also eligible for LQA payments for utilities. Utilities will only be paid if the purchase price of the home is under the annual maximum allowed.
- The employee would be required to fill out the same documentation as if they were renting (SF1190/DSSR130) through the DoDEA Allowance Processing System ([DAPS](#)).
- The employee is responsible for providing a copy of the purchase agreement for purchased home.
- Utilities will need to be reconciled by submitting an LQA reconciliation after one year.

LQA RECONCILIATION

- Living Quarters Allowance (LQA) Reconciliation is a comparison of estimated expenses paid to an employee versus actual expenditures to determine if an overpayment or underpayment of allowance occurred.
- The payments cannot exceed the maximum allowance set by the Department of State.
- The LQA reconciliation is completed after 12 months in a new residence or whenever the employee moves into a new residence.
- Reconciliation may result in additional payments to the employee or may result in the employee being indebted to the government.

LQA RECONCILIATION

- Employees are required to submit an annual reconciliation following their first year of occupying new economy quarters.
- Reconciliations are to be submitted within 45 days after the end of the 12-month anniversary date of initial occupancy of quarters.
- Extensions may be granted for circumstances beyond an employee's control.
- Employees may request additional reconciliations but they must cover another 12 month period.
- There is no longer a requirement for a final reconciliation when an employee leaves the foreign post.

LQA RECONCILIATION

- Employees are required to submit the following documents to complete their LQA reconciliation:
 - actual bills/receipts and/or bank statements to verify payment of utility expenses. If the bills/receipts are in a foreign language, employee is required to translate to English on each receipt.
 - copy of lease agreement (not necessary if copy of lease has been submitted).
 - SF-1190.
 - LQA Expenditures Worksheet (there are several versions used, any one of them can be accepted).
 - rent and utility expenses should be listed in the currency of the country not US dollars, unless utilities are charged and paid in US dollars.

POST ALLOWANCE

- A cost-of-living allowance granted to a full-time employee officially stationed at a post in a foreign area where the cost of living, exclusive of quarters costs, is substantially higher than in Washington, D.C.
- The post allowance is a balancing factor designed to permit employees to spend the same portion of their basic compensation for current living as they would in Washington, D.C., without incurring a reduction in their standard of living because of higher costs of goods and services at the post.
- The amount paid is a flat rate varying only by basic salary, size of family, and post, regardless of individual expenses.
- The post allowance grant to a newly appointed or transferred employee shall commence as of the following applicable date.
 - The date the employee arrives at a new post, except that post allowance cannot be paid when an employee is occupying temporary quarters.
 - The date the family arrives at the new post when the employee's arrival is delayed because of his/her being ordered to report at another place for consultation or detail and the family arrives at the new post before the employee.
 - The date of the employee's entrance on duty, if the employee is recruited at the post.