

Moving OCONUS -- Your Money

Overview

Special financial concerns and pay allowances to understand before

When you move overseas, you are eligible for several different special allowances. You may also have new expenses and challenges finding work for your spouse. Review your new income and expenses before leaving CONUS.

Meet with a financial counselor

Before you leave CONUS, you may be required to meet with a financial counselor. Credit problems are challenging, but they can become more difficult to resolve if you are overseas. This financial review is designed to keep you and your family out of trouble. A counselor will look for things like unpaid bills, large debts, payday loans and other money issues that -- if ignored -- could harm your family and your security clearance.

Prepare for a lean budget

When you move OCONUS, you are eligible for many special forms of pay to offset any greater expenses. But if you live in a foreign country, your budget can take a real hit. For example, the non-military spouse often has a hard time finding work overseas. Language barriers, hiring regulations and Status of Forces (SOFA) restrictions are common obstacles to finding employment in a foreign country. Many spouses choose to volunteer or pursue their education. Another possible money challenge is a swiftly changing financial market. If the dollar becomes weak compared to the local currency, you may lose a lot of spending power. Even though your Cost of Living Allowance will eventually reflect changes, it could take weeks before the adjustment hits your bank account. It's always a good idea to have a little extra tucked aside just in case.

Keep your receipts

As you prepare to move, it's smart to keep all your receipts. Receipts for things like lodging, meals, gas, transportation and even animal quarantine costs are especially critical. Keep a folder for these receipts, or even a specific pocket in a purse, briefcase or backpack. The records can be used to get reimbursement for some of your costs.

Watch your pay

There are several special pays for service members and their families while they are moving overseas. Finding exactly what you should receive is often difficult and complicated. Sometimes there is a delay between when you are paid and when it gets reported in your Leave and Earnings statements, or LES. During this time of change, it is more likely you will find errors in your paycheck. If you know what you should receive, you can be sure to get it. You can also realize if you are overpaid before you spend the money and then find the government wants it back. Regularly check your

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LES online offered by the Defense Finance and Accounting Service through myPay at <http://www.dod.mil/dfas>.

Dislocation Allowance

Dislocation Allowance, or DLA, is a one-time, tax-free, up-front payment given to offset the unusual costs of a move. This allowance is offered for both CONUS and OCONUS moves. It is only given when your family is authorized to accompany you and you are bringing your household goods. It isn't designed to cover all your costs. It can help replace the bleach and ketchup you couldn't take with you, as well as the kitchen organizers you need for your new home.

- *Find your allowance amount.* The easiest way to find your DLA amount is to enter the Web site of the Department of Defense Per Diem, Travel and Transportation Committee at <https://secureapp2.hqda.pentagon.mil/perdiem/> From there, click on, "Rate and Allowances" and then click on "DLA." Then click on the date.
- *Pay based in several factors* DLA varies based on a person's rank, whether they have dependents, and the timing of the service member's orders.
- *One-time benefit* Usually, a service member can only receive DLA one time per year. Exceptions include moves where the service member's orders are changed or revoked while the family is in transit.
- *Sometimes no DLA is given* When service members move to their first duty station, or make the final move when leaving active duty, they do not receive DLA. Reservists only receive DLA if they are making a PCS move, living at the new location more than 20 weeks and if their family is authorized to move as well.
- *DLA regulations* To find out more about DLA, look in the DoD Web site <https://secureapp2.hqda.pentagon.mil/perdiem/> . Click on "Frequently Asked Questions" and then click on "DLA." To see the complete regulations go to the same Web site, click on "Travel Regulations," then click on "JFTR" and read Chapter 5, Part G.

Temporary Lodging Expenses Allowance (TLE)

TLE is designed to partly offset the expense of eating in restaurants and staying in hotels when you are between duty stations. There are strict regulations and limits on this benefit.

- *Amount varies by your location.* For those going OCONUS, TLE may be paid for up to five days. It applies only to days spend in CONUS. The rate you are reimbursed is partly based on costs for your specific area. Calculating the exact TLE amount is complex. For formulas and rates used in CONUS, see the Joint Federal Travel Regulations at <https://secureapp2.hqda.pentagon.mil/perdiem/>. Click on "Travel Regulations," then click on "JFTR" and find Chapter 5, Part H.

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- *Receipts are required.* You cannot receive TLE if you don't have receipts, especially for lodging. ***If you stay with a friend or relative, you will not receive TLE.***
- *You must stay in government lodging if available.* If there is space in government lodging that you may use, you are expected to stay there. You will be reimbursed according to the rate charged by government lodging. If you can't use government lodging, you must have a document that states that government quarters were not available or that they could not be used because, for example, your family was with you.
- *TLE is not offered for those entering, leaving the service.* Service members are not allowed to receive TLE if they are reporting to active duty or leaving active duty.

Temporary Lodging Allowance (TLA)

The moment your toes leave CONUS, you are not eligible for TLE and become eligible for TLA. This includes Alaska and Hawaii. The rules regarding TLA are far stricter than those for TLE. Always check with experts at your duty station before assuming you will receive this benefit.

- *Used to cover transitional housing expenses.* Especially when you move overseas, there can be gaps of time when you don't have a place to live or furniture. TLA typically covers things like:
 - The time it takes to be assigned government housing.
 - The time it takes to find local housing.
 - The time after you must leave your overseas home and can return CONUS.
- *Only for sponsored families.* TLA is only given to families when they are sponsored by the command. If you move without your family, you are expected to use government quarters. If you move with unsponsored family members, you are not eligible for TLA because you are expected to use government quarters.
- *Check in with housing, and your new command.* Typically, in order to receive TLA you must check in with your command and with the local housing office. Check with your incoming command and read your orders to see if there are guidelines for this. If you don't check in, your TLA payments may be denied or delayed.
- *Time is limited.* You are only allowed to receive TLA for a certain period of time. Check with your housing office to find out the maximum days allowed. You must prove you are actively seeking lodging, or you could be denied TLA.
- *May only be used at certain hotels.* Your housing office should have a list of lodgings where TLA is approved. Call for that list before you arrive and make a reservation at an approved hotel before you get there. If you do not use a hotel on this list, your claim may be refused.
- *Get proof you are seeking housing.* If you decide to live on the economy, it may take time to find a residence. You may need to prove you are actively seeking housing or

your TLA could be denied. Save any paperwork you receive related to your home search.

Overseas Cost of Living Allowance (COLA)

Many areas outside CONUS are more expensive to live than areas within CONUS. In these locations, items like milk, gasoline and clothing cost more than they would on the mainland United States. To make up for this, the government grants service members a special allowance in addition to their regular pay. Federal income tax is not deducted from this amount. Overseas COLA allowance is given foreign countries as well as Hawaii and Alaska. A similar CONUS COLA is given for mainland installations in expensive areas including parts of California and New York.

- *Designed to cover what you spend.* COLA is designed to make up the difference for the daily items you usually buy in the local area. It does not cover housing, gifts, donations, life insurance or savings.
- *Not given in all areas.* The cost of living can be very different depending on where you are. For example, in France, Sweden and Switzerland everyday items are far more expensive than they are in CONUS, even twice as much. In other places, the costs are more similar. To find the COLA for your new duty station, visit the Department of Defense Per Diem, Travel, Transportation Allowance Committee's Web site at <https://secureapp2.hqda.pentagon.mil/perdiem/allowcol.html>. Click on "Rates Query."
- *Studies decide what you will receive.* Once every three years, residents of your command are surveyed to find out what they spend, and where they shop. The survey tracks prices of more than 100 goods and services at 200 locations in that area – items other service members buy and stores where other service members shop. Similar surveys are done in CONUS. The prices are compared and the rate of the COLA is decided. For information, click on the DoD Web site at <https://secureapp2.hqda.pentagon.mil/perdiem/allowcol.html>. Click on "FAQs."
- *COLA is adjusted for foreign exchange rates.* Foreign exchanges trade money back and forth. Based on this trading, the value of your dollar increases or decreases compared to the local unit of money or currency. At times, the value of the dollar can decrease, meaning it takes more dollars to buy the same item. At other times, the value of the dollar will increase, allowing you to buy more locally. These changes are considered when the COLA rate is decided for an area. If the value of the dollar drops dramatically, your COLA payment can increase, but it often takes several weeks before the correction arrives in your pocket. That adjustment is not made to your entire salary. It only applies to a percentage of pay that the government assumes you would spend within a country. For information about the way your local COLA changes with exchanges rates, visit the DoD Web site at <https://secureapp2.hqda.pentagon.mil/perdiem/allowcol.html>. Click on "FAQs."

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- *Be prepared for currency fluctuations.* It's possible that the currency rate might swing wildly. Even though your command is authorized to increase your COLA, it may take time before the payments reach you. It's a good idea to keep a little money set aside just in case.
- *COLA varies depending on your housing.* If you live in barracks or on a ship, you will not receive as much COLA as a person living in government housing or on the economy.

Overseas Housing Allowance (OHA)

If you live outside the 50 states, you are eligible for the Overseas Housing Allowance. It is designed to do the same thing as the Basic Allowance for Housing does in the United States, but it also addresses the unique issues of living overseas. It contains three major parts.

- *Rent Like BAH,* your local OHA rental allowance is based on what service members are paying for housing in your area. It is set to cover the rent expenses of 80 percent of the people of your rank with the same dependents status. This amount is usually adjusted every six months. To find the OHA rental allowance for your new area, check the DoD Web site at <https://secureapp2.hqda.pentagon.mil/perdiem/ohaform.html>.
- *Utility/Recurring Maintenance Allowance* This amount is set to pay the utility costs of 80 percent of those stationed in your area. Remember that though you may receive this amount monthly, you may only receive a utility bill annually. Make sure to be prepared when the utility bill comes. For the actual rate for your new area, check the DoD Web site at <https://secureapp2.hqda.pentagon.mil/perdiem/ohaform.html>.
- *Move-In Housing Allowance* This amount is paid only when you arrive to cover one-time expenses. Check with your local housing office or command to be sure what charges that area will usually cover. MIHA has three distinct parts:
 - *MIHA Miscellaneous* This is a lump sum amount and pays for the costs you might have to make your home meet minimum American standards. Its amount is based on what others paid to make their homes habitable. It is designed to pay for things like wardrobes in homes without closets, or transformers to adapt electrical current for American appliances. To find the rate at your new installation, check the DoD Web site at <https://secureapp2.hqda.pentagon.mil/perdiem/ohaform.html>.
 - *MIHA Rent* This pays for your actual costs in getting a rental home in the area, such as rental agents' fees. You need receipts for this expense. Check with your local housing office to learn their procedures and what they commonly pay for this allowance.
 - *MIHA Security* This pays for the actual costs of making your new home safe. It is only given in approved countries. Check with your local command before assuming you are eligible for this allowance and learn what expenses are often

covered. Countries can be added or removed from the approved list as things change. You also need receipts for this expense.

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Transportation

In addition to travel to and from your new duty station, there may be other travel benefits as well. Ask your command when you arrive. These benefits tend to be carefully regulated, but they can greatly assist service members and their families. For example, if you have a child attending college full time, that child may be eligible to have one trip to visit you each year reimbursed by the government. Travel programs usually have very strict regulations. Carefully check with your local command before assuming you are eligible for travel benefits.

Other overseas quirks

There are many aspects of day-to-day life that are handled differently overseas, and bills are one of them. You may need to pay your bills in cash because a foreign bank might not want a check from an American bank. You may need to pay your entire year's utility bill at one time. Or, you may need to keep receipts so you can be reimbursed for local taxes that you don't need to pay. For these reasons and many more, it's critical you and your spouse attend any orientation sessions offered for your installation. Keep in close contact with your local sponsor. Keep in touch with your local housing office or command. The more you know, the more likely you are to have a successful tour overseas.

Resources

Department of Defense Per Diem Travel and Transportation Allowance Committee

<https://secureapp2.hqda.pentagon.mil/perdiem/trvlregs.html>

This site includes the entire Joint Federal Travel Regulations for active duty military and civilian government employees. Click "Access the Travel Regulations Portal." Because the document is so large, it's best to enter the site and use the search engine to look for a specific regulation or to scan the table of contents to find the appropriate chapter.

Defense Finance and Accounting Service

<http://www.dod.mil/dfas/>

Check your pay via myPay and to check your Leave and Earnings statements.

Your installation's support services

Depending on your service branch, your Fleet and Family Support Center, Marine Corps Community Services, Airman and Family Readiness Center, or Army Community Service Center can provide you with information and support.

Military OneSource

This free 24-hour service, provided by the Department of Defense, is available to all active duty, Guard, and Reserve members and their families. Consultants provide information and make referrals on a wide range of issues. You can reach the program by telephone at 1-800-342-9647 or through the Web site at www.militaryonesource.com.

Subject matter experts' names, credentials, and bios.

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