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**CHAPTER 592. ALLOWANCES AND DIFFERENTIALS PAYABLE IN FOREIGN
AREAS**

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ALLOWANCES AND DIFFERENTIALS PAYABLE IN FOREIGN AREAS

1. SCOPE

This chapter contains instructions regarding allowances, differentials, and other benefits for U.S. citizens employees who serve in foreign areas. It is to be used for current or prospective employees of VA Regional Office, Manila, or for any other employees officially stationed overseas.

2. REFERENCES

- a. 5 U.S.C. 5921 through 5925.
- b. 5 U.S.C. 6304(b) and 6305.
- c. 22 U.S.C. 1131 through 1156.
- d. 38 U.S.C. 315 and 707.
- e. 38 U.S.C. Chapter 73.
- f. Executive Order 10000, as amended by E.O. 10903, E.O. 11123 and E.O. 11380.
- g. Standardized Regulations (Government Civilians, Foreign Areas) and Uniform State/AID/USIA Regulations issued by the Department of State.
- h. Foreign Affairs Manual: Vols. 3 and 6.
- i. VA Manual, MP-1, part II, paragraph 215.00.
- j. VA Manual, MP-5; part I, chapter 301; part II, chapters 3 and 7.

3. ELIGIBILITY

a. Basic eligibility requirements for receipt of allowances and differentials outlined in this chapter are that the employee must be:

- (1) A United States citizen by birth or naturalization;
- (2) Permanently assigned to the Manila, Philippines, Regional Office, to a VA office under the jurisdiction of the Manila Regional Office, or to any other overseas post; and
- (3) Assigned to a position subject to 5 U.S.C. ch. 51 or appointed in the Veterans Health Administration under 38 U.S.C. ch. 73.

b. In addition to the above, employees must meet the eligibility requirements specified for allowances, differentials, or other benefits set forth in Standardized Regulations (Government Civilians Foreign Areas), issued by the Department of State and, with respect to the post differential, in Executive Order 10000, as amended.

c. Notwithstanding the provisions of paragraph 3a(2), concerning a permanent assignment, an employee who is detailed to an overseas post and who meets the conditions for payment is entitled to the authorized post differential for that post.

d. Each department head or his designee is authorized to determine eligibility of employees, under his jurisdiction who are assigned overseas, to receive any of the authorized forms of additional compensation or benefits. A U.S. citizen employee who is determined to be ineligible for one or more of the allowances or differentials claimed shall be advised that he may appeal such determination, through channels, to the appropriate department head.

4. TYPES OF ALLOWANCES AND DIFFERENTIALS

The allowances and differentials listed below are provided in accordance with 5 U.S.C. 5921 through 5925 and the Standardized Regulations (Government Civilians, Foreign Areas). Such payments are not considered compensation for purposes of retirement life insurance, employee's injury compensation, or other benefits based on basic compensation; however, post differential is considered "income" for Federal income tax purposes.

a. Post Differential is payable to an eligible employee while he is stationed at an overseas post, and is based upon a finding that the conditions of environment at the post differ substantially from the conditions of environment in the continental United States so as to warrant additional pay as a recruitment and retention incentive. Living costs are not considered. The differential may not exceed 25 percent of the employee's basic salary rate.

b. Living Quarters at the overseas post in a Government-owned or rented building shall normally be made available without cost to an eligible employee and his immediate family. Included shall be basic furnishings, heat, fuel, and light. The Under Secretary for Benefits or his designee, is authorized to enter into agreement with another appropriate agency to provide such quarters and furnishings in accordance with VA Regulation 11 and 5 U.S.C. 5912. If, under unusual circumstances, living quarters are not provided, a living quarters allowance (in accordance with an employee's grade and family status), a temporary lodging allowance, or a supplementary post allowance may be authorized, if appropriate.

c. Foreign Transfer Allowance is payable to an eligible employee to offset a part of the cost for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred incident to establishing himself at the overseas post.

d. Education Allowances is payable to an eligible employee to assist in meeting extraordinary and necessary expenses, not otherwise compensated for, incurred in providing adequate elementary and secondary education for his children while assigned to an overseas post. Under certain conditions, educational travel expenses may be authorized for an employee's child to attend a secondary school or a college in the United States.

5. OTHER BENEFITS

The benefits listed below are provided in accordance with 5 U.S.C. 6305 or 38 U.S.C. 707 and appropriate regulations:

a. Travel Expenses, including storage and shipment of household effects and automobile, may be authorized as indicated in MP-1, part II, paragraph 215.00; and Uniform State/AID/USA Foreign Service Travel Regulations.

b. Leave (i.e., annual or sick leave) is earned by an eligible employee at the same rate as in the United States. However, the 30-day maximum carryover for a General Schedule employee is raised to 45 days while he is overseas. In addition, such an employee earns "home leave" in varying amounts, depending upon the amount of post differential authorized.

c. Medical Treatment of injury or illness for eligible employees and certain family members may be provided or paid for by the VA as determined appropriate by the Under Secretary for Benefits or designee.

d. Representation Allowance, as determined by the Secretary, is authorized only for the Director VA Regional Office, Manila, to cover allowable items of expenditure, as senior representative of the VA, to promote necessary relationships in the performance of official duties.