



The Comptroller General  
of the United States

Washington, D.C. 20548

# Decision

Matter of: Lucy S. Tyler - Real Estate Expenses - Effect of  
Voluntary Separation on Reimbursement

File: B-222371

Date: November 17, 1986

## DIGEST

An employee, transferred in the interest of the government, executed a 12-month service agreement. Pursuant to regulation, she had 2 years from the date she reported for duty at her new station (August 8, 1983) to sell her residence at her old duty station and purchase a residence at her new duty station. She voluntarily separated from government service 13 months after reporting to her new duty station. Subsequent to her separation but within 2 years of her reporting date, she sold her old residence and purchased a new one and claims expense reimbursement. On question of whether her voluntary separation alters her reimbursement rights, the answer is no. So long as an employee performs a minimum of 12 months continuous service following transfer, such conditional rights as she has to real estate expense reimbursement pursuant to a service agreement became vested 12 months later, subject only to the maximum time limitation within which such expenses must be incurred.

## DECISION

This decision is in response to a request from the Director, Office of Budget and Finance (Controller), Veterans Administration (VA). It concerns the entitlement of a former employee to be reimbursed real estate transaction expenses incident to a permanent change-of-station transfer in August 1983. The claim is allowed for the following reasons.

## BACKGROUND

Dr. Lucy S. Tyler, a former employee of the VA, was stationed in Louisville, Kentucky. She was transferred in the interest of the Government from her position in Louisville to the position of Staff Assistant at the VA Medical Center in Bay Pines, Florida. She reported for duty at the Bay Pines Medical Center on August 8, 1983. On September 7, 1984, Dr. Tyler voluntarily resigned her position and left Federal government service. On November 21, 1984, she sold her residence at her old station in Louisville, Kentucky, and the VA has reimbursed her for the sales expenses. On

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August 7, 1985, also less than 2 years after her transfer to the Bay Pines VA Medical Center, she purchased a residence in the vicinity of the VA Medical Center at Largo, Florida, for which she has not been reimbursed.

The concern expressed by the agency is whether it can be held liable for the expenses of either transaction when the employee voluntarily resigned from the government prior to the completion of the real estate transactions, even though the employee has completely satisfied the time requirement under a properly executed 1-year service agreement.

#### ANALYSIS

The question for resolution is whether the voluntary resignation prior to residence sale and purchase negates Dr. Tyler's rights to reimbursement of the real estate transactions expenses. It is our view that it did not.

The entitlement of Federal employees to be reimbursed for certain expenses incurred in connection with residence transactions incident to a permanent change of station is governed by 5 U.S.C. § 5724a (1982), and regulations issued pursuant thereto. The regulations applicable here are those contained in Part 6 of Chapter 2, Federal Travel Regulations, FPMR 101-7, incorp. by ref., 41 C.F.R. § 101-7.003 (1985) (FTR), as amended, in part, by GSA Bulletin FPMR A-40 (Supp. 4, August 23, 1982). The right to reimbursement of relocation expenses applies to each employee transferred in the interest of the government from one official station or agency to another for permanent duty. 5 U.S.C. § 5724(a)(1) (1982). As the submission from the Director makes evident, Dr. Tyler had been authorized moving expense reimbursement in connection with the transfer of her official duty station and, therefore, the VA had determined that the transfer was in the interest of the Government.

Paragraph 2-6.1e(1) of the FTR, as amended, provides that the settlement date for the sale of the old residence and purchase of the new residence must be within 2 years of the date on which the employee reported for duty. The settlements were completed on November 21, 1984, and August 7, 1985, both within the 2-year time period, and, were it not for the fact that the claimant voluntarily resigned prior to the settlements, there would be no doubt as to the propriety of reimbursement of the real estate expenses incurred.

Section 5724(i) of title 5, United States Code (1982), authorizes relocation allowance payments to employees who, upon transfer, agree to and remain in continuous government service for a minimum of 12 months thereafter. It is

significant that Dr. Tyler completed the 12 months of required service before she resigned on September 7, 1984, and has thereby fully complied with the service agreement. The requirement of 12 months service following a transfer is part of the consideration received by the government when it agrees to reimburse relocation expenses. Thus, so long as an employee performs a minimum of 12 months continuous service following a transfer in the interest of the government she has satisfied the basic statutory conditions attendant to that transfer. At that point, her rights to be reimbursed for real estate expenses become vested, subject only to the maximum time limitation for such transactions imposed by FTR para. 2-6.1e. Compare 55 Comp. Gen. 645 (1976) and Baltazar A. Villarreal, B-214244, May 22, 1984. See also 55 Comp. Gen. 613 (1976), where we held that the FTR contemplate uniform allowance of residence transaction expenses to transferred employees, and that agency discretion to deny reimbursement is limited.

Therefore, Dr. Tyler is entitled to be reimbursed for the real estate transactions expenses incurred, to the extent authorized by the Federal Travel Regulations.

*for Milton J. Fowler*  
Comptroller General  
of the United States