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Decision

CP

Matter of: Jerry O. Jones
File: B-249606
Date: October 8, 1992

DIGEST

A transferred employee who purchased a home with his fiancée at his new duty station is entitled to reimbursement of only 50 percent of his allowable real estate expenses since, at the time of purchase, he acquired ownership of the residence with an individual who was not a member of his immediate family. Anthony Stampone III, B-223018, Sept. 30, 1986.

DECISION

The issue presented is whether Mr. Jerry O. Jones, an employee of the Internal Revenue Service (IRS), Department of the Treasury, is entitled to be reimbursed for additional real estate expenses incurred when he and his fiancée purchased a residence at his new duty station.¹ We conclude that he may not be reimbursed the expenses claimed, for the following reasons.

Mr. Jones was transferred from Oklahoma City, Oklahoma, to Dallas, Texas, and reported for duty on January 28, 1991. On April 19, 1991, he purchased a residence in Dallas with his fiancée, Sharon L. Kinzer. Both of their names were listed on the settlement statement as borrowers, and on the deed to the property as single persons.

The IRS disallowed payment of one-half (\$1,106.38) of the real estate expenses since Mr. Jones purchased the property jointly with a person who was not his spouse. On reclaim, Mr. Jones contends that he paid all of the settlement expenses and was unaware that placing his fiancée's name on the contract would result in the disallowance of one-half of his claim for these expenses. He asks that an exception be made to allow reimbursement of the remaining one-half of the settlement expenses.

¹The request for a decision was submitted by Mr. Michael G. Kelley, Chief, Accounting Section, IRS, Dallas, Texas.

The authority for reimbursement of real estate expenses incurred in connection with an employee's transfer is contained in 5 U.S.C. § 5724a(a)(4) (1988) and Part 302-6 of the Federal Travel Regulation (FTR). Section 302-6.1(c) of the FTR requires that title to the residence must be in the name of the employee alone, in the joint names of the employee and a member of his immediate family, or solely in the name of one or more members of his immediate family. Section 302-1.4(f) of the FTR defines "immediate family" to include a spouse as being a member of the employee's household at the time the employee reports for duty at the new permanent duty station. However, that section does not recognize a fiancée as being a member of the employee's immediate family.

In our decision Anthony Stampone III, B-223018, Sept. 30, 1986, we considered the claim of an employee who purchased a residence with his fiancée and had it titled in both of their names. Although they later married, we held that the employee was limited to reimbursement of 50 percent of the allowable costs since, at the time of settlement, he acquired ownership of a residence with an individual who was not a member of his immediate family.³

Accordingly, Mr. Jones is only entitled to reimbursement of 50 percent of the allowable real estate purchase expenses incurred.

for James E. Jones
James F. Hinchman
General Counsel

CIVILIAN PERSONNEL

Relocation

Residence transaction expenses

Reimbursement

Eligibility

Property titles

³41 C.F.R. Part 302-6 (1991).

³See also Patrick G. Collins, B-220289, Feb. 28, 1986; B-180767, May 16, 1974; B-177091, Dec. 12, 1972; B-167962, Nov. 7, 1969. Compare Matthew I. Chibbaro, B-223542, May 12, 1987, where we allowed 100 percent reimbursement since the employee, who was single at the time he reported for duty, was married before the date of settlement, and took title to the residence in the names of himself and his wife.