

Travel Advance for Permanent Change of Station (PCS)

When an employee requests Travel Advance for PCS move they need to be aware that advance is 80% of estimated Per Diem, House Hunting Trip (HHT), En Route Travel from old to new duty station, and Temporary Quarters Subsistence Expense TQSE (30 day increments).

If the full 80% advance is not used, the government will request payment for the difference between the 80% advance and the actual expenses claimed. Taxes are deferred on the 80% advance until the first claim is submitted.

Taxes are deducted from the first claim based on 80% advance received, If 80% advance received exceeds the first claim including taxes, the employee must refund the difference to the Government. However, if the first claim including taxes exceeds the 80% advance, the employee receives the difference.

Depending on whether the employee is in a CSRS or FERS retirement system different amounts are withheld for tax purposes.

FERS employees will have WTA withheld, FICA withheld at 6.2%, and MED withheld at 1.45%. **CSRS** employees will have WTA withheld and MED withheld at 1.45%. **(There is no FICA withheld)**

The Finance Center will provide a W2 for the tax year that the PCS move was made.

The Finance Center makes estimated tax payments to the IRS on PCS vouchers at a rate of 25%. When PCS travelers file a RITA voucher the following year they receive a bill if they are in the 15% tax bracket on the attached table. On the employee's first PCS voucher they can put in the remarks a request that the Finance Center make estimated tax payments to the IRS on their PCS vouchers at a rate of 15% to avoid an overpayment to the IRS.

Employees will have to pay the Relocation Income Tax Allowance (RITA) for monies received in conjunction with the PCS move.

This form along with a DD 1352-1 and a RITA work sheet is prepared by the employee and sent to finance. They will calculate the amount of money received and advise the employee if payment is due.