

Overseas Pay for Civil Service Employees

Federal employees assigned to a foreign post are typically compensated differently compared to those stationed within the continental United States. This page describes the allowances and differentials commonly associated with overseas service and available to employees in the civil service (i.e., appointed under Title 5). The allowances and differentials, used as recruitment and retention tools, are considered discretionary and subject to the availability of funds.

For further additional information, refer to the Department of State Standardized Regulations (DSSR), http://aoprals.state.gov/content.asp?content_id=231&menu_id=92, and the Foreign Affairs Manual, <http://www.state.gov/m/a/dir/regs/fam/>.

General Overseas Allowances and Differentials

Advancements in Pay:

- **Moving Overseas or Medical Emergency:** An employee's pay may be advanced up to six pay periods (three months). Such advancements are found when an employee first moves overseas or when an employee or family member experiences a sudden medical emergency. See DSSR 850 and 5 U.S.C. 5927.
- **Due to Evacuation:** An employee's pay may be advanced by up to 2 pay periods (30 days) when there is an ordered evacuation of an employee and/or his or her dependents at a foreign post. See DSSR 600 and 5 U.S.C. 5521–5527.

Danger Pay Allowance: An allowance not to exceed 35 percent of basic pay, when service is performed in a country experiencing civil insurrection, civil war, terrorism, or wartime conditions that threaten physical harm or imminent danger to the employee's health and well-being. If the employee is also receiving the "difficult-to-staff incentive" (see below), the combined may not exceed 35 percent of basic pay. See DSSR 650 and 5 U.S.C. 5928.

Post Hardship Differential: A recruitment or retention incentive provided to employees for service at places in foreign areas where conditions of the environment differ substantially from conditions in the continental United States and warrant additional compensation due to extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions affecting the majority of employees officially stationed or detailed to that location. See DSSR 500 and U.S.C. 5925(a).

Difficult-to-Staff Incentive: An additional recruitment or retention incentive, valued at up to 15 percent of basic pay, provided to certain employees already receiving postal hardship differential, when a post has experienced particularly adverse conditions. See DSSR 1000 and 5 U.S.C. 5925(b).

Cost of Living Allowances: Employees stationed overseas are not paid locality pay, since this is limited to employees within the continental United States, as well as to non-foreign areas, such as Alaska and Hawaii. Instead, employees are eligible for certain cost of living allowances, in addition to their base compensation.

- **Post Allowance:** This allowance is paid to compensate employees for the higher price of goods and services that is often found overseas. The amount is a flat rate, determined by the family size, basic salary, and location. See DSSR and 5 U.S.C. 5924(1).
- **Foreign Transfer Allowance:** This allowance is paid to cover the necessary and reasonable expenses incurred by an employee to establish himself or herself at the assignment in the foreign area. The three components of the allowance are a miscellaneous expense portion (for example, vehicle registration), pre-departure expense portion (meals and lodging), and a lease penalty portion (to pay off an existing lease). See DSSR 240 and 5 U.S.C. 5924(2)(A).
- **Home Service Transfer Allowance:** This allowance is paid to help cover necessary and reasonable expenses typically found when an employee transfers from a foreign post back to the United States. Examples include meals, lodging, dry cleaning, and vehicle registration. See DSSR 250 and 5 U.S.C. 5924(2)(B).
- **Separate Maintenance Allowance:** This allowance is paid when an employee's family is either prohibited from accompanying the employee to the new foreign duty station ("involuntary SMA"), chooses not to for personal reasons ("voluntary SMA"), or has to establish a new household temporarily due to evacuation ("transitional SMA"). This allowance helps to defray the cost of maintaining two separate households. See DSSR 260 and 5 U.S.C. 5924(3).
- **Educational Allowance:** This allowance is used to help defray the cost of an employee sending his or her child to an elementary or secondary school at the new foreign post. See DSSR 270 and 5 U.S.C. 5924(4)(A).
- **Educational Travel:** This allowance pays for the round trip travel expenses for an employee's child (typically attending college) to see his or her parents at the foreign post. See DSSR 280 and 5 U.S.C. 5924(4)(B).

Quarters Allowances: Employees may receive quarters' allowances to reimburse an employee for the cost of obtaining quarters on the local economy when neither Government-owned nor Government-rented quarters are available.

- **Temporary Quarters Subsistence Allowance:** This allowance provides for the reasonable cost of temporary quarters, meals, and laundry expenses for a period of up to 90 days after first arrival at the foreign post, and up to 30 days before the final departure from the foreign post. See DSSR 120 and 5 U.S.C. 5923(a)(1).
- **Living Quarters Subsistence Allowance:** This allowance is designed to cover substantially all of the average employee's costs for rent, heat, light, fuel, gas, electricity, and water while the employee is living at the foreign post. See DSSR 130 and 5 U.S.C. 5923(a)(2).
- **Extraordinary Quarters Allowance:** This allowance, not to exceed 90 days, is meant to cover temporary living expenses that are incurred when a privately leased residence at the foreign post must be renovated before the employee (and his or her dependents) can move in. See DSSR 140 and 5 U.S.C. 5923(a)(3).

Official Residence Expense Allowance: This is an allowance reserved to a principal representative of the U.S. Government at a foreign post who may incur unusual expenses in the operation and maintenance of a suitable official residence. See DSSR 410 and 5 U.S.C. 5913.