



# Defense Travel Management Office



## Overseas Housing Allowances

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SOUTHCOM SCO Spouse Conference

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# Agenda

- OHA Overview
- OHA Regulatory Authority
- Maximum Rental Allowance
- Utility/Recurring Maintenance Allowance
- Move-In Housing Allowance
- OHA Utility and Move-In Expenses Survey



# Overseas Housing Allowance (OHA)

- Overseas Housing Program is designed to help defray housing expenses for uniformed service members assigned overseas and living on the economy
- Annual program - \$1.4 Billion
- Members receiving OHA – 56,000
- Average annual payment per member - \$25,000
  - Average monthly payment per member - \$2,083\*
- Some members are expected to be out of pocket some amount
- OHA allowances fluctuate over time



# OHA Regulatory Authority

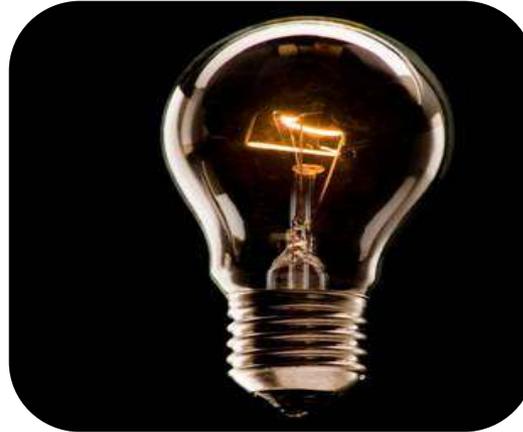
- Based on USC Title 37, Section 407
- Covered in Joint Federal Travel Regulations
  - Chapter 10
    - Overseas Housing and Family Separation Housing Allowances
  - Appendix K
    - Locality tables containing current rental, utility/recurring maintenance, and MIHA allowances
  - Appendix M
    - OHA Survey Schedule
  - Appendix N
    - Move-In Housing Allowances (MIHA)



# OHA Components



Maximum  
Rental  
Allowance



Utilities/  
Recurring  
Maintenance  
Allowance



Move-In  
Housing  
Allowance



# Maximum Rental Allowance

- Paid to members in private leases overseas
- Designed to cover rent for 80% of the members in a location
- Based on pay data and/or market data
  - Pay data from actual housing costs reported to Finance Offices
  - Market data derived from a market analysis via the internet



# Utility and Recurring Maintenance Allowance

- Monthly allowance paid based on dependency status
- Determined from member-reported expenses obtained from annual survey
- Designed to cover costs for 80% of the members in a location



# Move-In Housing Allowance MIHA

- MIHA Miscellaneous
  - One-time payment to all OHA recipients
  - Designed to cover average move-in expenses in a location
  - Member expenses obtained from triennial survey
- MIHA Rent
  - Dollar for dollar reimbursement to cover reasonable rent related expenses
- MIHA Security
  - Dollar for dollar reimbursement to cover reasonable security-related expenses
  - Location must be designated MIHA Security location



# Utility and MIHA Survey

- Web-based only
  - Takes approximately 20 to 40 minutes to complete
- Utility survey conducted every year
- MIHA survey conducted every three years
- Basis for updated utility and MIHA allowances



# Agenda

- Rental Allowance Overview
- Varies by Location
- Rental Rate Setting Process
- Determining Actual Payment
- Out-of-Cycle Rental Allowance Adjustment
- JFTR References



# Overseas Housing Allowance

## Three Components:

- Rental Allowance
- Utility/Recurring Maintenance Allowance
- Move-In Housing Allowance MIHA



# Rental Allowance Component

- Maximum amount of monthly rent considered in the pay system when computing the amount of OHA for a locality
  - Current allowances located at:  
<http://www.defensetravel.dod.mil/perdiem/allooha.html>
- Covers rent for residence
  - Rent for garage
  - Home owners association fee
- Paid monthly
- Review is based on actual rent reported through Finance
  - DD Form 2367 starts, stops and changes OHA



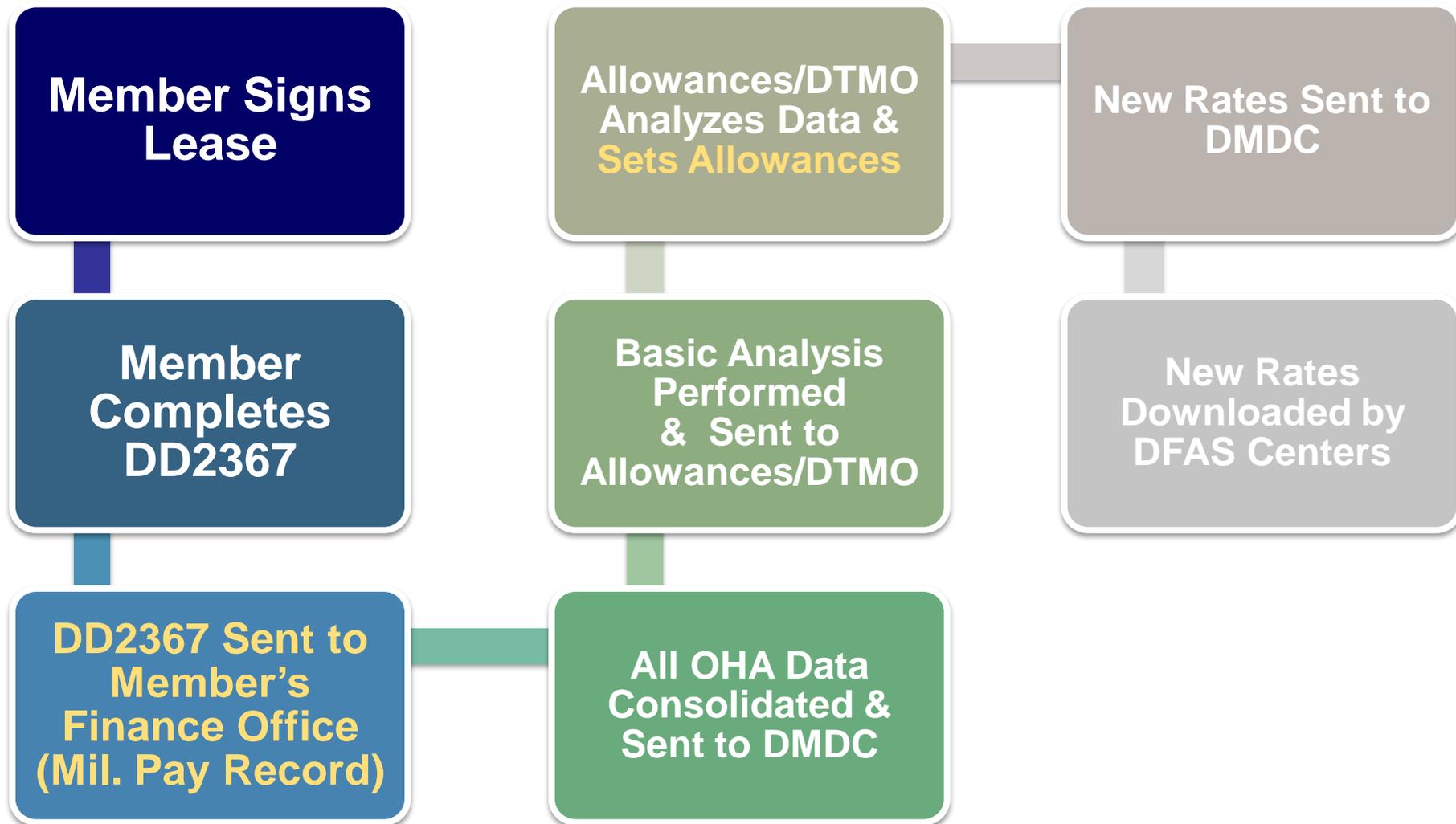


# Rental Allowance Adjustments

- Purpose is to ensure that Service members renting on the economy overseas are safely and adequately housed
- Rental allowances at every locality in the world are reviewed semi-annually and adjusted so that 80% of members are covered 100%
- Adjustments allow Service members to compete in a changing market for adequate housing
- Incoming members (new arrivals) “drive” the rental allowances



# OHA Rental Rate Setting Process





# Maximum Rental Allowance Selection Using the 80<sup>th</sup> Percentile

04/E9	03/E8/7/6	02/1/E5	E4	Rank
1400	1300	1350	1200	1
<u>1400</u>	1300	<u>1300</u>	<u>1200</u>	2
1350	<u>1250</u>	1295	1100	3
1300	1250	1250	1000	4
1300	1100	1200	1000	5
	1050	1150		6
	1000			7
	980			8
	950			9
	800			10



# Actual Payment

Q. Can members rent over their rental allowance?

A. Yes. They will be paid up to the maximum rental allowance.

Example 1. Rental allowance is \$1700. Member's rent is \$1800. The rental portion of OHA paid is \$1700

Q. Can members rent under their rental allowance?

A. Yes. However, they don't pocket the difference as in BAH (CONUS)

Example 2. Rental allowance is 1500 Euro. Member rents for 1250 Euro. The rental portion of OHA paid equals 1250 Euro. Rent is covered 100%



# Out-of-Cycle Rental Allowance Adjustment

- Rental allowance adjusted when:
  - New locality where no Service member has been previously assigned
  - Service member assigned to duty station that has less than 10 members and no rental allowance previously established for a specific rank
- Examples:
  - New Location being stood up
  - Olmsted Scholars, Foreign Area Officers, Personnel Exchange Program (PEP) Personnel
  - Service members ordered to move from Embassy housing to privately leased housing



# Out-of-Cycle Rental Allowance Adjustment

(continued)

- Out-of-Cycle adjustment process:
  - Requested by Country Allowance Coordinator
  - If DTMO Allowances Branch determines that an out-of-cycle review is warranted
    - Additional information will be requested from the member
    - A market analysis may be conducted based on local real estate web sites
    - Maximum size authorized determined by State Department guidelines, 15 FAM 237 Exhibit A
- Rates can not be set retroactively for any component of OHA



# JFTR References

- JFTR Chapter 10 (U10020-10030)
- Appendix K
  - General Policy Information
  - Rental Allowance
  - Examples of Calculating OHA
  - Complete Listing of Overseas Housing Allowance Rates
    - Rental Allowances
    - Utility and Recurring Maintenance Allowances
    - MIHA



# Overview

- Utility Overview
- Utility Expenses Covered
- Utility Expenses Not Covered
- Determining Utility Allowance Payment
- Budgeting
- Joint Federal Travel Regulation (JTFR) References



# Utility Allowance Component

- Utility Allowance covers:
  - Common utilities such as electricity and natural gas
  - Recurring maintenance and minor repairs
- Monthly allowance
- Provided for each individual OHA locality
- Is an 80<sup>th</sup> percentile allowance
  - Based on reported expenses from members with dependents who directly pay all (or a majority) of their utilities
  - By duty station
- Updated annually via web-based survey



# Utility/Recurring Expenses Covered

- Electricity
- Natural gas for heating and cooking
- Bottled gas
- Other household fuels
  - Kerosene
  - Coal
  - Firewood
  - LPG, “Bombola”
  - Fuel Oil
- Sewer
- Trash
- Running water for residence
- Bottled water for drinking





## Utility/Recurring Expenses Covered (continued)

- Rental insurance required by custom, law or lease
- Maintenance and repair costs
- Taxes associated with physical property; local law/custom (tenant must be personally responsible for payment)
- Condo fees
  - Regulations recommend wrapping these fees into lease costs
- Neighborhood security protection/guards
  - Area must be designated MIHA Security Locations
  - Appendix N Part II, Table I lists MIHA Security Locations



# Utility/Recurring Expenses *Not* Covered

- Cable television/AFN converters
- Tuition, books
- Monthly telephone bills
- Monthly internet bills
- All costs associated with automobiles
- Repairs to personally owned electrical equipment
- Maid or gardener services
- Yard or lawn maintenance
- Taxes not associated with the physical dwelling, such as road or TV taxes
- Pet expenses





# Determining Percentage of Utility Allowance

- Payment - monthly sum based on dependency status and utility point score
- Method of calculation
  - Member completes DD Form 2367
  - Reports whether utilities are:
    - Included in the rent
    - Paid separately
  - Utility point score is determined
  - Utility point score percentage applied to total allowance



# Determining Percentage of Utility Allowance

(continued)

- Uniformed Service member pays own utilities separately
  - Receives 100% of utility allowance
- Uniformed Service member pays for no utilities separately
  - Receives 0% of utility allowances
  - Rental allowance increased by amount of utility allowance
- Uniformed Service member pays for some utilities separately
  - Partial utility allowance paid based on utility point score
  - Rental allowance increased by amount of utility allowance not paid
- Member without dependents receives 75% of allowance



# Climate Code Utility Points Table

- Member is credited points for each utility not checked in question 7 of the DD Form 2367
- Member should not check any utility which is paid separately from the rent

Climate Codes =	3	2	1
Climates =	Hot	Moderate	Cold
Electricity	3	3	3
Heating	1	2	3
Air Conditioning	3	2	1
Water	1	1	1
Trash Disposal	1	1	1



# Example of Utility Allowance Equaling \$400

Point Score	% of Allowance	With Dependents (100%)	Without Dependents (75%)
5-9	100	\$400	\$300
3-4	65	\$260	\$195
1-2	25	\$100	\$75
0	0	\$0	\$0



# Budgeting for Utilities

- Utility bills fluctuate depending on climate. May be higher in winter, lower in summer
- In many overseas locations, utilities are billed quarterly or less frequently
- Incoming uniformed Service members should be advised to budget their utility allowance, saving for periods of higher costs, and keep receipts
- In some locations, Uniformed Service member must pay catch-up bills when meters have not been read for a long time



# JFTR References

- JFTR Chapter 10 (U10024)
- Appendix K
  - General policy information
  - Utility point scores
  - Examples of calculating OHA
  - Complete listing of overseas Housing Allowance Rates
    - Rental Allowances
    - Utility and Recurring Maintenance Allowances
    - MIHA





# Additional Information

- Website: [www.defensetravel.dod.mil/perdiem](http://www.defensetravel.dod.mil/perdiem)
- Service points of contact: [www.defensetravel.dod.mil/perdiem/phdir.html](http://www.defensetravel.dod.mil/perdiem/phdir.html)
- Contact us: [PDTATAC@dtmo.pentagon.mil](mailto:PDTATAC@dtmo.pentagon.mil)

