

Board of Contract Appeals

General Services Administration
Washington, D.C. 20405

November 4, 2004

GSBCA 16494-RELO

In the Matter of LINDA L. SKAGGS

Linda L. Skaggs, Lansing, KS, Claimant.

Todd P. Roddy, Office of Counsel, United States Army Corps of Engineers, Albuquerque, NM, appearing for Department of the Army.

DeGRAFF, Board Judge.

The Department of Defense (DoD) transferred Linda L. Skaggs from one permanent duty station to another. In connection with the transfer, Ms. Skaggs signed an agreement in which she promised to remain in Government service for a period of time and DoD signed travel orders agreeing to reimburse her real estate transaction expenses. Ms. Skaggs reported to her new duty station in early February 2003, and retired from Government service in late February 2004. In July 2004, she sold her residence at her old duty station and asked DoD to reimburse her real estate sales transaction expenses. DoD decided to deny her request because she sold her house after she left Government service. Ms. Skaggs asks us to review DoD's decision.

When an agency transfers a civilian employee from one permanent duty station to another in the interest of the Government, statute authorizes the reimbursement of relocation expenses, including real estate sales transaction expenses, provided the employee meets certain requirements. 5 U.S.C. §§ 5724, 5724a (2000). The purpose of the statute is "to help pay the cost of moving to the new place of employment." The statute is designed to authorize payment of expenses "incident to transfer from the old to the new station" so "employees will not have to incur financial losses when transferred at the request of the Government." S. Rep. No. 89-1357, at 2-4 (1966), reprinted in 1966 U.S.C.C.A.N. 2565-67; Jeffrey R. Jenkins, GSBCA 15339-RELO, 00-2 BCA ¶ 31,066; Paul W. Gard, Jr., GSBCA 15311-RELO, 00-2 BCA ¶ 31,053.

The Comptroller General, who reviewed relocation claims until mid-1996, considered whether transferred employees who retired before selling their houses at their old duty stations ought to be reimbursed for real estate sales transaction expenses. The Comptroller General decided an employee's relocation benefits become vested when the employee fulfills

the terms of a service agreement. Because vested benefits are not altered upon an employee's retirement, the Comptroller General concluded agencies had to reimburse transferred employees who fulfilled their service agreements, retired, and then sold their houses at their old duty stations, so long as they met all of the other requirements for being reimbursed. 55 Comp. Gen. 645 (1976); Lucy S. Tyler, B-222371 (Nov. 17, 1986). We agree with the Comptroller General's conclusion. It would be contrary to the purpose of the statute to deny benefits to an individual who transfers in the Government's interest, remains in Government service for the requisite length of time after the transfer, incurs expenses as a result of the transfer, and fulfills all of the requirements for reimbursement. Here, DoD does not question whether Ms. Skaggs fulfilled the terms of her service agreement or whether she meets the other requirements for being reimbursed, such as transferring in the interest of the Government and selling her residence within the time permitted by applicable regulations. Because Ms. Skaggs's relocation benefits vested while she was an employee, DoD is obligated to reimburse her real estate sales transaction expenses so long as the expenses she claims are otherwise allowed by applicable regulations.

The claim is granted.

MARTHA H. DeGRAFF
Board Judge