

FREQUENTLY ASKED QUESTIONS ON LIVING QUARTERS ALLOWANCE (LQA)

1. What is Living Quarters Allowance (LQA)?

The Department of State Standardized Regulations (DSSR) define LQA as an allowance granted to an eligible employee for the annual cost of suitable, adequate, living quarters for the employee and his/her family. LQA is intended to reimburse an employee for substantially all costs for reasonable residence quarters whenever Government-owned or Government-rented quarters are not provided free of charge.

2. What expenses are authorized for reimbursement under LQA?

Rent, heat, light, fuel, gas, electricity, water, garbage and trash disposal, taxes levied by the local government and required by law or custom to be paid by the lessee, insurance on the property and/or furnishings so rented, if such insurance is required by local law to be paid by the lessee, agent's fee that is customary, reasonable and legal under local law, and mandatory as opposed to optional fees required for maintenance of common areas (condominium fees). Chimney sweeping fees that are part of condo fees may be reimbursed if they are mandatory fees required for maintenance of common areas. Separate charges for lawn/garden service may be reimbursed if they are mandatory or required by local law or custom.

3. How is it determined if a fee is mandatory?

Generally, if the employee can opt out of the payment, the fees are no longer mandatory and are the personal responsibility of the employee. For example, if an employee can opt out of some of the condo fees (cable TV fee or pool fee) then these costs are not mandatory and are not reimbursable.

4. What expenses are not authorized for reimbursement under LQA?

The costs of the following are not authorized as an allowable LQA expense:

(1) concierge or notary's fees; (2) agent's fee except under conditions stated above; (3) telephone installation or maintenance; (4) deterioration of property or furnishings; (5) servant's wages or maintenance; (6) tips; (7) cleaning; (8) storage; (9) garden or lawn service (except as stated in item 2 above); (10) servants' quarters, unless considered part of the same property with the living quarters; and (11) any other extraneous expenses not directly related to rent as such.

5. How much LQA am I authorized?

The amount of LQA which may be reimbursed shall be the lesser of either the actual amount of allowable expenses incurred by the employee or the maximum rates authorized by the DSSR. Computations are based on the quarter's group, number of dependents and post of assignment.

6. What forms should I submit?

To initiate payment of LQA, you must submit a completed SF 1190, Foreign Allowances Application, Grant and Report, LQA Annual Interim Expenditures Worksheet through the DoDEA Allowance Processing System (DAPS) and a copy of your rental/lease agreement or purchase agreement, if you bought or own your quarters. On your initial request for LQA, you may estimate your utilities, but be careful not to overestimate, as you will be required to return any overpayment of LQA to the Federal government.

7. What do I do if I am not receiving enough LQA to cover my expenses?

If at any time you determine that your LQA is too low or too high, you may request an adjustment. This is accomplished by completing and submitting a new SF-1190 through DAPS and providing receipts to document the requested adjustment. Please note that if your expenses exceed your maximum allowed LQA, your LQA can not be adjusted to a higher rate.

8. How will I receive payment?

The DoDEA Human Resources Regional Service Center will determine your authorized LQA amount and forward the authorization for payment to the Defense Finance and Accounting Service Payroll Office for processing. You should receive payment for LQA in the paycheck for the first full pay period following the pay period in which the authorization was processed.

9. When can I no longer claim my dependent children?

You may claim dependent children residing with you at your post of assignment until they reach age 21. It is your responsibility to promptly request an adjustment to your LQA authorization when you have a change in family status, such as a child reaching age 21, addition of new family member or your spouse's permanent departure from the post.

10. What if my spouse and I are both eligible for LQA?

If both spouses at a post are eligible for LQA, and have additional family members, one employee at his/her option may receive the basic "with family" allowance rate plus increments for additional family members; the other employee may receive the "without family" rate. If the couple has no additional family members, each employee may be granted the "without family" rate. You should always note on any SF 1190 that you submit that you share housing costs with your spouse.

11. What is an LQA reconciliation?

An LQA reconciliation is the process of comparing the employee's actual allowable quarters expenses up to the maximum authorized with the amount of LQA the employee was actually paid. The payroll office notifies the employee of the under or over payment and either pays or collects the difference.

12. When am I required to reconcile my LQA expenses?

You will be required to reconcile your quarters expenses one year after you initially move into economy quarters and within one year of a subsequent move to new economy quarters.

13. Is LQA taxable?

No, LQA is not taxable income.