



**U.S. Department of
Transportation**

Office of the
Secretary
of Transportation

ORDER

DOT 1501.00

09-08-2021

Subject: DOT LONG-TERM TEMPORARY DUTY TRAVEL POLICY

- PURPOSE:** This Order supplements the Federal Travel Regulation (FTR) issued by the General Services Administration (GSA), with policy specific to the U.S. Department of Transportation (DOT) and the Enterprise Services Center (ESC) on managing Long-term Temporary Duty (TDY) travel, consistent with applicable Federal laws, policies, and guidance. Long-term TDY is pre-authorized official travel to a location more than 50 miles from both the traveler's official duty station (ODS) and primary residence lasting 30 consecutive calendar days or longer at one location or 16 days or longer for training.
- CANCELLATION:** This Order cancels DOT Order 1500.11, Department of Transportation Travel Guiding Principles, Revision, dated December 16, 1996, and DOT Order 1500.3A, Travel Regulations, dated May 28, 1980. This Order also supersedes guidance in DOT Travel Order 1500.6B that relates to long-term travel.
- BACKGROUND:** The FTR enumerates the travel and relocation policies and provides the method for calculating daily lodging rates when an employee is traveling on a long-term basis.¹ The FTR further states that such reimbursement, including an appropriate amount for Meals and Incidental Expenses (M&IE), may not exceed the maximum daily per diem rate for the TDY location.² However, the FTR allows, but does not require, agencies to reduce a per diem rate below the prescribed maximum when an agency can determine in advance that lodging and meal costs will be lower than the per diem rate.³ Thus the FTR allows an agency, at its discretion, to reduce per diem rates for travelers in long-term travel status if the agency has determined that lodging and meal costs will be lower than the typical per diem rate. DOT's long-term TDY policy aims to fairly reimburse travelers for long-term TDY expenses incurred while on official travel. This policy eases administrative burdens and limits operational costs by simplifying long-term TDY administration.

REFERENCES:

- FTR, 41 C.F.R. Chapter 301, Temporary Duty (TDY) Travel Allowances, <https://www.gsa.gov/policy-regulations/regulations/federal-travel-regulation-fts>.
- FTR, 41 C.F.R. Chapter 302, Relocation Allowances, Subchapter B, Relocation Allowances, Part 302-3, Relocation Allowance by Specific Type, Subpart E, Employee's Temporary Change of Station.

¹ FTR § 301-11.14

² FTR § 301-11.14

³ FTR § 301-11.200

- c. Travel and Transportation Reform Act (TTRA) of 1998, Public Law 105-264.
- d. Prompt Payment Act of 1982, Public Law 97-177.
- e. Internal Revenue Service (IRS) Publication 463, *Travel, Entertainment, Gift, and Car Expenses*, <https://www.irs.gov/pub/irs-pdf/p463>.
- f. Federal Aviation Administration Travel Policy (FAATP) Chapters 1 through 5, November 1, 2016.
- g. DOT Travel Order and Manual (DOT M 1500.6B), March 29, 2018, <https://www.transportation.gov/mission/budget/travel-order-and-manual>.
- h. DOT Memo on Funding of Personal Assistance Services (PAS) as a Reasonable Accommodation on Official Travel, May 19, 2014.

4. DEFINITIONS:

- a. Actual Expense: Payment of authorized actual expenses incurred, up to the limit prescribed by the Administrator of GSA or agency, as appropriate. Entitlement to reimbursement is contingent upon entitlement to per diem and is subject to the same definitions and rules governing per diem.
- b. Actual Subsistence Expense Allowance (ASEA): An allowance that permits the payment of actual expenses for all subsistence expenses.
- c. Agency: An Executive Branch agency as defined in 5 U.S.C. § 5701. An agency may also be a military department, an office, agency or other establishment in the legislative or judicial branch and the government of the District of Columbia.
- d. Approving/Authorizing Official (AO): An AO is the approving or authorizing official at the operational level who has the responsibility for the mission and the authority to obligate funds to support TDY travel for the mission. The AO authorizes only travel necessary to accomplish the mission of the Federal Government.
- e. Common Carrier: Private-sector supplier of air, rail, ship, or bus transportation as well as local transit systems.
- f. Contract Carrier: U.S. certificated carrier under contract with the Federal Government to furnish Federal employees and other persons authorized to travel at the Federal Government's expense with passenger transportation service.
- g. Conventional Lodging: The most common types of lodging facilities, such as hotel/motel, boarding houses, or similar, that are usually found in non-remote areas.
- h. Invitational Travel: Authorized travel of individuals either not employed or employed (under 5 U.S.C. § 5703) intermittently in Federal Government service as consultants or experts and paid on a daily, when-actually-employed basis. Furthermore, this includes authorized travel for individuals serving without pay or at \$1 a year when acting in a capacity that is directly related to, official activities of the Federal Government. Travel allowances authorized for such persons are the same as those normally authorized for travelers in a TDY status.
- i. Lodging Plus Per Diem: The method of computing per diem allowance for official travel in which the per diem allowance for each travel day is established based on the actual amount the traveler pays for lodging expenses plus an allowance for M&IE, the total of which does not exceed the applicable maximum per diem rate for the location concerned.
- j. Long-Term TDY Assignment: A pre-authorized trip that will meet all the following criteria:
 - 1) Traveler is anticipated to be in TDY status for 30 consecutive calendar days or longer at one location or for training of 16 class days or more, and
 - 2) TDY location is outside both primary residence and the ODS, and
 - 3) Travel is not considered a Temporary Change of Station (TCS).
- k. Non-conventional Lodging: A type of lodging that may be necessary if there are no conventional lodging facilities in the area (e.g., in remote areas) or when conventional facilities are in short supply because of an influx of attendees at a special event (e.g., trade

show, conference, or major sporting event). Such lodging includes college dormitories or similar facilities, internet-based temporary rooms, or apartment rentals or rooms not offered commercially but made available to the public by area residents in their homes (41 CFR § 301-11.12(a)(4)).

- l. Non-Refundable Deposits: Refers to cost the Federal Government pays in advance for a traveler in the form of a security deposit. The Federal Government does not get this cost back.
- m. Official Duty Station (ODS): An area defined by the agency that includes the location where the employee regularly performs his or her duties or an invitational traveler's home or regular place of business. The area may be a mileage radius around a particular point, a geographic boundary, or any other definite domain, provided no part of the area is more than 50 miles from where the employee regularly performs his or her duties or from an invitational traveler's home or regular place of business. If the employee's work involves recurring travel or varies on a recurring basis, the location where the work activities of the employee's position of record are based is considered the regular place of work.
- n. Official Government Travel: Travel under an official travel authorization from an employee's official duty station or other authorized point of departure to a temporary duty location and return from a temporary duty location, between two temporary duty locations, or relocation at the direction of a Federal agency".
- o. Per Diem Allowance: The per diem allowance (also referred to as subsistence allowance) is a daily payment instead of reimbursement for actual expenses for lodging, meals, and related incidental expenses. The per diem allowance is separate from transportation expenses and other miscellaneous expenses. The per diem allowance covers all charges and services, including any service charges where applicable. Lodging taxes in the United States are excluded from the per diem allowance and are reimbursed as a miscellaneous expense. In foreign locations, lodging taxes are part of the per diem allowance and are not a miscellaneous expense.
- p. Primary Residence: The location that a person regularly and primarily inhabits, also referred to as a main residence. It may be a house, apartment, trailer or other dwelling; it is where an individual, couple, or family household lives most of the time. If the traveler maintains more than one residence and divides their time on a seasonal basis between them, the dwelling they spend more time in will be deemed their primary residence unless approved in writing by the OA CFO or Deputy OA CFO prior to approval of the Travel Authorization.
- q. Reduced Per Diem Rate: A method of paying per diem expenses when there are known reductions in lodging and meal costs or when subsistence costs can be determined in advance and are lower than the prescribed per diem rate.
- r. Refundable deposits: Refers to costs the Federal Government pays in advance for a traveler in the form of a security deposit. The Federal Government expects to get this cost back after a specified time, or when certain conditions are satisfied. When entities such as long-term TDY hotels or lease entities collect this money, a refundable deposit is typically returned to the traveler after a relatively brief period or at the consummation of the long-term TDY assignment.
- s. Special conveyance: Commercially rented or hired vehicles other than a privately owned vehicle and other than those owned or under contract to an agency.
- t. Subletting/Subleasing: A rental arrangement that allows a new resident to move into an employee's apartment or home (or a room in the apartment) while the employee temporarily moves out. The individual renting the apartment/home or room will pay rent and utilities and will adhere to the lease terms.
- u. TDY Location: A place away from an employee's official duty station, where the employee is authorized to travel.
- v. TDY Assignment: A trip, usually of a short-term duration of less than 30 days, and the traveler returns to their ODS when the official government travel is complete.

- w. Taxable Long-Term TDY Assignment: A TDY single assignment one year or greater in length. Per the IRS Code, employees (travelers) on long-term/indefinite assignments are no longer considered temporarily away from their primary residence. When this situation occurs, all travel allowances (e.g., per diem reimbursement) become taxable.⁴
 - x. Temporary Change of Station (TCS): The relocation of an employee to a new official duty station for a temporary period while performing a long-term assignment and subsequent return to the previous official duty station upon completion of that assignment. To qualify as TCS, the long-term assignment must be greater than six months and cannot exceed 30 months.
 - y. Travel Advance: Prepayment of estimated travel expenses to a traveler.
 - z. Travel Authorization (TA): Permission (may be written or electronic) for a traveler to travel on official business.
 - aa. Travel Claim/Voucher: A written request, supported by documentation and receipts where applicable, for reimbursement of a traveler's expenses incurred in the performance of official travel, including long-term TDY assignments.
 - bb. Travel Management System: The Federal Government-contracted, end-to-end travel management service and system that automates and consolidates the Federal travel process in a self-service web-centric environment. The service covers all aspects of official travel, including travel planning, authorization, reservations, ticketing, expense reimbursement, and travel management reporting.
 - cc. Traveler: An individual who is on official government travel.
5. POLICY: Except for the Federal Aviation Administration (FAA), this Order applies to all Secretarial Offices and Operating Administrations (OAs), including the Office of Inspector General per DOT Order 1320.16D, "U.S. DOT Directives System." January 19,2021.

Secretarial Offices and OAs must ensure compliance with the Department's travel policy to support a well-managed long-term TDY travel program. Where applicable, OAs may develop supplemental internal travel policies to more directly address specific business needs of the OA. An OA-specific travel policy shall not conflict with the FTR or DOT travel policy, and may be more restrictive or add requirements, but may not be more lenient in requirements. FAA employees must follow the guidance outlined in the FAA Travel Policy Chapter 2, TDY Allowances/CONUS.

International travel should be coordinated with the appropriate International Affairs or Program Offices within each OA as required by OA policy. OA International Affairs or Program Offices will coordinate Departmental approval with the Office of Aviation and International Affairs. (Refer to DOT Order 1240.6 "International Travel Approval Policy.")

Personnel policies applicable to employees in travel status, such as pay and compensatory time off for travel, are outside the scope of this Order.

- a. Reduced Per Diem Rate for Long-Term TDY Assignment: Per diem rates for Long-Term TDY assignments may be reduced below the prescribed per diem rate the location for lodging and meals where the agency has determined in advance that lodging and meal costs will be lower than the prescribed per diem rate. Incidental expenses are not subject to the reduced rate. OAs should analyze expected costs for meals and lodging in advance of long-term TDY and reduce the per diem rate as appropriate if expenses are lower than the prescribed per diem rate. A reduced per diem rate should encompass the specific long-term

⁴ FTR §§ 301-11.601 through 301-11.60454

travel expenses allowed by the FTR.⁵ When it is determined that expenses will be not be lower than the prescribed per diem rates for the long-term TDY.

Example of calculations for a reduced per diem rate of (60 percent) for Oklahoma City, OK:

- 1) The standard per diem rate for Oklahoma City is \$95/day for lodging and \$61/day for M&IE.
 - a) Reduced M&IE Rate: To calculate the 60 percent reduced daily per diem rate for M&IE, take the allowed daily M&IE rate, subtract the \$5 incidentals, multiply by 60 percent, then add the incidentals back to the total.
 $\$61 - \$5 = \$56$. $\$56 * 60\% = \$33.60 + \$5 = \38.60 (M&IE).
 - b) Reduced Lodging Rate: To calculate the 60 percent reduced daily per diem rate for lodging, take the allowed daily lodging rate, then multiply by 60 percent.
 $\$95 * 60\% = \57 (Lodging).
- b. Reduced Per Diem Rate for Lodging Instructions: Travelers, along with their AOs, must make reasonable efforts to secure lodging at an appropriate reduced per diem rate, if applicable, for long-term TDY assignments. The reimbursement of reduced per diem rates should be limited to common commercial lodging accommodations required for an individual traveler that is safe, clean, and sanitary. If reduced per diem rate accommodations are not available for conventional lodging, travelers are authorized to obtain non-conventional lodging. Non-conventional lodging rates should not exceed the appropriate reduced per diem rate.

Travelers must document a minimum of three lodging quotes when requesting approval for a per diem rate that is not reduced. If a traveler is assigned to long-term TDY assignment and cannot obtain long-term lodging at the appropriate reduced per diem rate in advance of travel, the AO should authorize a lodging search period at full per diem not to exceed 15 calendar days from the day the traveler arrives at the TDY location. If the traveler is still unable to secure lodging at the authorized reduced rate, the OA CFO or OA Deputy CFO may authorize a higher reimbursement rate, not to exceed the daily per diem rate set by GSA. The OA CFO or OA Deputy CFO approval may not be re-delegated. AOs are not permitted to lower reduced TDY per diem while the traveler is currently at the TDY location. In instances where a special event (sporting, convention, etc.) is identified at the long-term travel location, which causes a temporary increase in lodging costs, the authorization must state that the lodging plus method will be authorized for this period of time, and then revert back to the reduced method.

If a traveler negotiates a rate below the established reduced per diem rate, the OA may authorize more than the negotiated rate for lodging expenses.

NOTE: If the traveler is TDY to the same location and performing the same job, lasting 30 consecutive calendar days or longer, they will be reimbursed at an appropriate or reduced per diem rate. OAs may not use multiple travel authorizations for shorter periods to attempt to circumvent a reduced per diem rate or to avoid applicable tax laws.

- c. Determining Costs and Modes of Travel for Long-Term TDY Assignment: A traveler may be authorized to travel to and from a long-term TDY assignment using a common carrier, government owned vehicle (GOV), or privately-owned vehicle (POV), whichever is most advantageous to the Federal Government. If the traveler travels by POV, in lieu of a

⁵ FTR § 301-11.15

common carrier or GOV, the traveler must complete a cost comparison to be documented and included in their TA prior to travel. If travel by common carrier is determined to be advantageous to the Federal Government, but the traveler elects to travel by POV as a personal preference, the traveler's reimbursement is limited to the cost associated with the available common carrier transportation as presented in the cost comparison. The AO, with assistance from the traveler, should document a cost comparison and include the POV, rental car, and common carrier expenses, as shown in the example below. The cost comparison must also be included with the TA prior to travel anytime a traveler elects POV as the mode of transportation. Rental car option may not be feasible for a long-term travel due to the length of most long-term TDY assignment.

Cost Comparison POV vs Common Carrier						
POV Mileage Residence to TDY Site	Mileage	0	X	\$0.575	per mi	
Enroute Lodging (Stand CONUS)	Lodging	\$96.00	X	0.00	day(s)	
Enroute M&IE (Stand CONUS)	M&IE	\$55.00	X	0.00	day(s)	
POV Mileage TDY Site to Residence	Mileage	0	X	\$0.575	per mi	\$0.000
Enroute Lodging to Residence	Lodging	\$96.00	X	0.00	day(s)	
Enroute M&IE to Residence	M&IE	\$55.00	X	0.00	day(s)	
Total						\$0.00
* Days of travel based on 425 miles per day. Use Random Number Generator to determine mileage.						
Common Carrier						
Roundtrip GSA City Pair Airfare (YCA)						\$0.00
Standard fees in addition to airfare						\$45.60
Transportation to Airport						\$0.00
First Checked Bag Fee (Departure)		\$0.00	X	1.00	Bag	\$0.00
Additional Checked Bag Fee (Departure)		\$0.00	X	1.00	Bag	\$0.00
Transportation from Airport to Lodging						\$0.00
Transportation from Lodging to Airport						\$0.00
First Checked Bag Fee (Return)		\$0.00	X	1.00	Bag	\$0.00
Additional Checked Bag Fee (Return)		\$0.00	X	1.00	Bag	\$0.00
Transportation from Airport						\$0.00
Total						\$45.60
Instructions: Populate only the yellow highlighted cells. All other cells are automatically calculated. The allowable reimbursement is limited to the lesser of the costs.						

If lodging is secured prior to arriving, the reduced per diem rate begins on the arrival day at the traveler's long-term TDY assignment. For travel days where the traveler is traveling between their ODS and the long-term TDY assignment, travelers will be reimbursed at 100% of the maximum per diem rate. The first and last days of M&IE during en-route travel are reimbursed at 75% of the per diem rate based on the FTR.⁶

- d. Method of Payment: Travelers are required to use the individual government travel card for all official expenses while on long-term travel. Exceptions include:
- 1) Refundable and non-refundable deposits: Deposits should be charged to the centrally billed account (CBA).
 - 2) Properties and establishments where the use of a card is not accepted: Travelers are authorized to withdraw cash from an ATM or at a financial institution, not to exceed the authorized per diem allowance, deposit amount, or lease payment.

In instances where a refundable deposit becomes non-refundable due to unforeseen circumstances that are not the fault of the employee, the agency may fully reimburse the expense. AOs have the final determination on approving reimbursement for non-refundable deposits under these circumstances.

- e. Household Goods and Personal Effects: Travelers on long-term TDY assignments are not eligible for reimbursement of costs associated with shipping or transporting household goods or personal effects. A traveler authorized to travel by POV who instead chooses to rent a truck or trailer to transport personal effects and household goods may not claim reimbursement for the rental. Travelers authorized to travel by common carrier may be

⁶ FTR § 301-11.15

authorized excess baggage only to accommodate additional personal effects (e.g., clothing) due to the length of the assignment. The AO must establish appropriate baggage limitations on a case-by-case basis and document the allowable expenses on the TA.

- f. Transportation Reimbursement While on Long-Term TDY Assignment: Travelers may be authorized to use a Federal Government owned vehicle (GOV), POV, Special conveyances, or public transportation while on long-term TDY assignments. When a traveler is authorized to use a POV, the traveler is eligible to claim mileage for their daily commute from a long-term TDY lodging site directly to the TDY work or training location and for meal. POV-related expenses such as parking, ferry fees, and tolls are also reimbursable when incurred, as part of that commute, not to exceed the constructive cost of travel by common carrier. Non-reimbursable POV expenses include, but are not limited to charges for repairs, depreciation, replacements, grease, oil, antifreeze, towage and similar speculative expenses, gasoline, insurance, and State and Federal taxes.
- g. Allowed Trips to the Primary Residence While on Long-Term TDY Assignment: The traveler and their AO should determine and document in the traveler's TA the appropriate frequency and duration of return to primary residence travel for long-term TDY prior to the beginning of the assignment. Generally, the AO may authorize the traveler no more than one return trip to the primary residence every three weeks for the duration of the long-term TDY assignment; however, the traveler may amend the TA to include, and the AO may authorize, shorter or longer intervals between return trips as appropriate.

Travelers will be reimbursed for transportation costs to and from the TDY site, airports, primary residence, or the ODS, which includes airfare and taxis. In addition, travelers may claim 75 percent of the full M&IE per diem rate on their travel day to the primary residence and travel day back to their long-term TDY destination. Travelers are not eligible for lodging at their ODS. Travelers must also ensure that they accurately account for M&IE and lodging expenses when completing vouchers for their trip to the primary residence, as well as any incremental vouchers for long-term travel during the duration of their trip to their primary residence. Travelers are encouraged to check out of lodging at the long-term TDY assignment location during return travel to the residence or ODS whenever possible and cost-effective.

Travelers cannot leave from the long-term TDY assignment, travel to a location other than their primary residence, prepare a reconstructive cost comparison, and claim the lower amount. If a traveler on long-term TDY elects to travel on non-workdays to a location other than their primary residence, they will not be reimbursed for transportation costs. Instead they may only be reimbursed for lodging and per diem costs under the long-term TDY travel authorization up to the maximum amount allowed at the long-term TDY location. No additional per diem or lodging may be reimbursed. If a traveler on long-term TDY goes on leave status, only lodging allowed at the long-term TDY location may be reimbursed.

- h. Documenting Long-Term TDY Assignment TAs: The OA funding the long-term TDY assignment must authorize the assignment on a Trip-by-Trip authorization. When long-term TDY is expected to extend into a new fiscal year, but funding does not extend beyond the current fiscal year, the traveler must establish a new TA each fiscal year with budgetary language "subject to the availability of funding" included in the TA.. Travelers must confirm that the travel dates in the travel management system clearly state that the trip is a long-term TDY assignment, identify if the trip is long-term or indefinite and attach a copy of the documentation supporting the per diem reimbursement rate and schedule for return travel. In addition, a traveler must establish a short-term TDY TA for all return trips to trips to their primary residence.

- i. Travel Vouchers: Travelers must file travel vouchers in compliance with the Department's TDY travel policy in DOT Order M 1500.6B or any successor travel policy or order. Travelers must submit travel vouchers at least once every 21 calendar days or more frequently if required by OA-specific guidance. Travel vouchers must include all expenses incurred during the period covered by that voucher. Travelers must file final travel vouchers within five (5) business days of completing the long-term TDY assignment.

Lodging receipts or lease documents are required as supporting documentation to confirm that an expense was incurred and the dates that the expenses were incurred. These documents must show the number of days the expense was incurred. If no lodging expense is incurred (e.g., lodging is provided by the Federal Government, or the traveler is staying with a friend or family member), lodging costs are not authorized and the traveler can only claim the authorized reduced rate for M&IE. Travelers are only eligible for M&IE when they meet the criteria for Long-term Travel per Section 6.A of this policy.

- j. Documenting Interruptions to Long-Term TDY Assignments: OAs may reimburse travelers to offset costs associated with certain types of interruptions that occur during long-term TDY assignments. The most common types of interruptions are:

- 1) Return Travel for Official Work Purposes or Illness or Injury: During a long-term TDY assignment, OA may reimburse costs associated with limited return travel to the primary residence or ODS for official work purposes or the traveler's treatment for illness or injury. OAs shall follow the current DOT Travel Policy regarding reimbursable expenses incurred by employees incapacitated by illness or injury.

- 2) Travel to an Alternate TDY Location While in Long-Term Travel Status: There is no limit on the frequency of travel to an alternate TDY location while in long-term travel status, but the alternate TDY travel must have an official purpose, and travelers must create, and the AO must approve the authorization. Travelers may not use directed travel to "break up" a long-term TDY assignment into shorter trips for increasing the per diem reimbursement. As with return travel, travelers should explore options to minimize the cost to the Federal Government for lodging at the long-term TDY assignment location whenever feasible and cost effective. Travelers are reimbursed at the full locality per diem rate for the alternate location. The AO may authorize dual lodging as needed on a case-by-case basis. Receipts are required to support reimbursement of this expense. Dual lodging is not allowable when the lodging at the second alternate TDY location is necessary solely to accommodate a traveler who is on approved leave (other than sick or other approved leave due to illness preventing the employee's return to the primary TDY location) at the second alternate TDY location. The AO may, with justification, determine that the reduced per diem rate is sufficient, in which case the traveler would receive the reduced per diem rate for the alternate TDY location. The OA may authorize the use of a rental car at the alternate TDY location to allow the traveler to accomplish official business. Travelers must obtain pre-authorization to obtain a rental car.

- 3) Documenting Leave While on Long-Term Travel: To provide full reimbursement for lodging expenses to the traveler while on long-term TDY, the traveler must take the following actions on the travel voucher:

- a) Document leave days in the remarks section.
- b) Zero out the M&IE for the days the traveler is on approved annual leave. The traveler should not change the reduced daily lodging rate for their monthly rental

lease or other applicable period. This will ensure proper reimbursement and still permit the Department to categorize and report lodging expenses appropriately based on the daily rate calculation in the FTR.⁷

The AO must confirm a voucher reflects these actions before the AO approves a voucher.

- k. Leave during Long-Term TDY Assignments: Travelers on long-term TDY assignments are not eligible for M&IE per diem or dual lodging reimbursement when on approved leave other than sick leave (e.g., annual, credit hours or compensatory time off or leave without pay [except as described in the following paragraph]) for more than one-half of the daily prescribed work hours in a day (e.g., four hours for a standard eight-hour work-day). OAs will reimburse lodging for long-term TDY leases while a traveler is on such approved leave.
- l. Sick Leave during Long-Term TDY Assignments: OAs may reimburse the travelers on long-term TDY assignments for per diem expenses for up to 14 consecutive calendar days if they are incapacitated by illness or injury or require medical care not caused by their misconduct. If a traveler must interrupt or discontinue a long-term TDY assignment because of serious injury or illness experienced by the traveler or a member of the traveler's immediate family, the traveler must notify the AO as soon as possible.
- m. Personal Assistance Services During Long-Term Travel: Requests for Personal Assistance Services during Long-Term travel should be made through the Department's Reasonable Accommodation process as outlined in DOT Order 1011.1B, "Procedures for Processing Reasonable Accommodation Requests by DOT Applicants and Employees." Each request will be considered on a case-by-case basis.
- n. Early Termination of Long-Term TDY Assignments: If the Federal Government terminates a long-term TDY assignment, the traveler may claim reimbursement for any penalties associated with the early cancellation of lodging leases. This does not include charges for damages to lodging accommodations caused by the traveler. Travelers should attempt to enter long-term lodging commitments with built-in flexibility when possible; these types of commitments may eliminate some of the costs associated with assignment termination.
- o. Determining when Long-Term TDY Assignments are Taxable: If a traveler is on a long-term TDY assignment in one TDY location for one year or longer, any reimbursement provided to the traveler is considered income, regardless of the duties that the traveler performs (see the IRS Publication 463 for additional information).⁸ In addition, all subsequent trips to the same location will be a continuation of the current trip unless bona fide new requirements (projects) are established. The traveler's supervisor must determine when a long-term TDY assignment will be temporary, long-term, indefinite, and taxable. This determination is made before travel and is based on "intent;" this means the expected duration of the TDY assignment at the time the work begins. If the Long-Term TDY assignment is established as taxable based on the intent and the project changes at any point, the traveler is still assessed taxes based on the initial intent. See **Table 1 Expense Reimbursements** of the appendix to this Order for further clarification on whether long-term TDY assignments are taxable.
- p. Tax Implications of Long-Term TDY: If a traveler is on a taxable long-term TDY assignment, all allowances, and reimbursements for travel expenses, plus all travel expenses

⁷ FTR § 301-11.14

⁸ FTR § 301-11.601

that the Federal Government pays directly on the traveler's behalf in connection with the TDY assignment, are taxable income to the traveler. This includes all allowances, reimbursements, and direct payments to vendors from the day that the traveler or OA recognized the traveler's long-term TDY assignment is expected to exceed one year.⁹ The OA will reimburse travelers for substantially all income taxes the traveler incurs as a result of the traveler's taxable long-term TDY assignment. The reimbursement consists of two parts:

- 1) Withholding Tax Allowance (WTA): The amount paid to the Federal IRS by the OA as withholding income taxes for any taxable relocation allowance, reimbursement, or direct payment to a vendor.
- 2) Extended TDY Tax Reimbursement Allowance (ETTRA): The amount paid to reimburse a traveler for substantially all income taxes incurred as a result of a taxable long-term TDY assignment.

The WTA and ETTRA for taxable long-term TDY assignments cover fares, rental fees, mileage payments, and other expenses related to transportation. Travelers are not eligible for the other benefits that travelers would receive if the OA had permanently relocated the travelers.

- q. Procedures for Calculation and Reimbursement of WTA and ETTRA for Taxable Long-Term travel: If the OA identifies at the start of the traveler's TDY assignment that the assignment qualifies as taxable long-term TDY, the traveler shall complete a travel authorization in the travel management system as normal. "Taxable Long-Term Travel" should be selected as the travel type in the travel management system. A comment should also be added to the remark section that states, "This is taxable long-term travel. ESC has the authority to obligate money for the tax portion only." After the AO approves the travel authorization, the AO, or person to whom this responsibility is designated, will immediately notify the ESC Permanent Change of Station (PCS) Travel team that a travel authorization has been created for taxable long-term travel. The ESC PCS Travel team will retrieve the travel authorization number from the travel management system and create an obligation in Delphi for the tax portion only. ESC will estimate the amount of WTA for the traveler. The WTA is taxable income to the traveler and reported to the IRS for the duration of the traveler's long-term TDY assignment. See **Table 3 ETTRA Tax Table** of the appendix to this Order for the DOT formula on ETTRA/WTA reimbursement. Once a taxable TDY assignment begins, it cannot be changed to non-taxable Long-Term Travel TDY. If a non-taxable long-term TDY assignment becomes taxable (i.e., the TDY assignment has lasted or is going to last longer than originally intended), then the AO, or person to whom this responsibility is designated, will work with ESC to compute the WTA for all taxable benefits received since the date it was recognized as taxable.
- r. Filing Statement of Income and Tax Filing Status: A traveler should file their "Statement of Income and Tax Filing Status" for their taxable long-term TDY assignment at the beginning of their long-term TDY assignment or as soon as the traveler or OA realizes that a traveler's TDY assignment will become taxable.¹⁰
- s. Long-term TDY Assignments Exceeding 30 Months: If an employee is assigned to a temporary duty station for a period exceeding 30 months, the Department must either permanently assign the employee to the temporary duty station or return them to the ODS.

⁹ FTR § 301-11.603

¹⁰ FTR § 301-11.605

6. RESPONSIBILITIES:

- a. Office of the CFO (OST-Budget): Establishes and manages DOT-wide policy and internal controls for long-term TDY and delegates travel management duties to the designated OA travel management officials.
- b. OA CFOs/Deputy CFOs: Ensures compliance with this Long-Term TDY Order and ensures their employees receive information on how the travel program operates and how the policies affect their travel decisions. All long-term travel that is not a reduced per diem rate must be approved by the OA CFO or Deputy OA CFO. This authority may not be re-delegated.
- c. Enterprise Services Center (ESC) Travel Branch/Relocation Team: Upon receipt of a long-term TA, either by memorandum or ESC travel-generated report from the travel management system, the ESC Travel Branch/Relocation Team:
 - 1) Assists the OA's AO with a cost analysis to determine which entitlement is most cost effective to the Federal Government, such as a TCS or long-term taxable travel analysis.
 - 2) Arranges and provides long-term travel counseling to the traveler's AO for any TDY determined to be long-term taxable travel. This counseling includes an analysis of authorized entitlements and the application of taxes.
 - 3) Flags long-term taxable travel authorized reimbursements or travel vouchers for application of taxes for Federal Income Tax, Federal Insurance Contributions Act (FICA), and Medicare.
 - 4) Manually calculates applied taxes outside of the travel management system and records the travel voucher tax portion into the Delphi accounting system.
 - 5) Reports applied taxes to the Internal Revenue Service (IRS) on a quarterly basis for each long-term voucher reimbursement.
 - 6) Notifies ESC Accounts Receivable to establish a debt for the traveler's share of FICA/Medicare.
 - 7) Reports the traveler reimbursement amounts and applied taxes to the Department of Interior's Interior Business Center (DOI IBC) for inclusion in the traveler's annual W-2 tax form.
 - 8) Monitors the reimbursement of authorized long-term travel relocation allowances, which include Withholding Tax Allowance (WTA) and Extended TDY Tax Reimbursement Allowance (ETTRA) reimbursement.
- d. OA Travel Management Officials: Maintain oversight and management control of the OA TDY travel programs and its associated policies and procedures. The OA Travel Management Officials also:
 - 1) Serve as the liaison between OA Program Offices and the Office of Financial Management (B-30).
 - 2) Develop, implement, and disseminate long-term TDY policy and internal controls to promote good stewardship of travel spending.
 - 3) Monitor the activities of their respective OA program areas to ensure policy and internal controls compliance.
 - 4) Will assist AOs in assessing the financial needs of the traveler to ensure the traveler has access to an adequate travel card credit line for either trip by trip or monthly long-term assignment expenses as needed and adjusting as necessary.
- e. Approving/Authorizing Official (AO): Determines whether travel is necessary and that the most economical means of transportation and lodging are being utilized. Specifically:

- 1) Determines whether travel is necessary based on agency mission needs.
 - 2) Authorizes long-term TDY assignments in advance under Trip-by-Trip authorizations.
 - 3) Ensure any expenses incurred by the traveler that vary from an approved TA have written approval prior to the expense being incurred.
 - 4) Ensures compliance with long-term TDY policies.
 - 5) Maintains and appropriately documents long-term TDY documentation.
 - 6) Completes or ensures the traveler completes lower cost option travel research prior to the traveler's long-term TDY that allows the Federal Government to pay reduced per diem rates as described in this Order.
 - 7) Ensures the long-term TDY per diem rates are reduced below the GSA rate, where research has shown costs are expected to be lower. OA CFO or DCFO approval for a higher rate will be requested if reduced rates are available, but the traveler is not able to secure lodging at the appropriate reduced per diem rate.
 - 8) Ensures a travel purpose is selected correctly in DOT's travel management system for TAs that are taxable long-term travel.
 - 9) Notifies ESC PCS Travel by email, AMK-343 (9-AMC-AMK343-PCS-Travel@faa.gov) of taxable long-term TDY assignment.
 - 10) Examines travel authorizations and vouchers to ensure compliance with the FTR and DOT policy on receipts and applicable justifications/supporting documentation. OAs may have an additional reviewer(s) for a TA.
 - 11) Tracks deposits when the Federal Government funds a refundable deposit at the outset for a long-term TDY traveler, such as a security deposit on an apartment lease. Once the deposit is returned, it must be documented on the traveler's voucher appropriately.
- f. TA Funds Certifier: Ensures funds are available before travel is authorized and ensures all laws, regulations and policies are being followed.
- g. OA Human Resources (HR) Department: Develops policies regarding discipline and adverse action. The OA's HR Departments will consult with the supervisor/manager and legal counsel to assist the manager/supervisor in determining the appropriate disciplinary or adverse actions should one arise involving long-term TDY assignment.
- h. Travelers: Adhere to the procedures set forth in this Order and other applicable DOT Orders, the FTR, DOT memorandum on related topics, and other applicable OA guidance. In addition, the traveler should:
- 1) Be fiscally responsible and exercise the same care when incurring official travel expenses that a prudent person would exercise if traveling on personal business.¹¹
 - 2) Ensure travel vouchers are for authorized Federal Government travel TDY expenses only.
 - 3) File interim travel vouchers every 21 days or more frequently based on OA guidance.¹²
 - 4) File a final travel voucher within 5 business days after travel ends.
 - 5) Submit travel card payments in full for each monthly billing cycle regardless of voucher reimbursement status.
 - 6) Make appropriate reimbursement claims. The traveler cannot claim overlapping M&IE allowances (i.e., travelers cannot claim M&IE for short-term and long-term TDY at the same time).
 - 7) Prepare written justifications of TDY costs and document cost comparisons prior to incurring these costs (before the long-term TDY assignment).

¹¹ FTR §301-2.3.

¹² DOT Travel Card Management Policy, January 1, 2010, Section 8.1.

- 8) Obtain AO approval to travel prior to travel.
- 9) Ensure any expenses incurred that vary from an approved TA have written approval prior to the expense being incurred.
- 10) Ensure deposits are returned in the event the Federal Government funds a refundable deposit at the outset for a long-term TDY traveler, such as a security deposit on an apartment lease. Once the deposit is returned, the traveler must document this refund on their travel voucher and ensure that it is accounted for appropriately on their travel voucher.

FOR THE SECRETARY OF TRANSPORTATION:

Victoria B Wassmer
Deputy Assistant Secretary for Finance and Budget

APPENDIX to DOT Order 1501.00
Tax Liability for Long-Term Temporary Duty Travel

1.1 **PURPOSE:** This Appendix provides general instructions and guidance related to the traveler’s tax liability for long-term TDY assignments. This appendix is not intended to be all-encompassing. The traveler is responsible for paying appropriate taxes. DOT advises all travelers performing long-term TDY to consult with their AO, ESC Travel Branch/Relocation Team, and a tax professional when calculating their potential tax liability.

1.2 **GENERAL TAX GUIDANCE FOR LONG-TERM TDY:**

- a. **Paying Appropriate Taxes is the Responsibility of the Traveler:** There are multiple scenarios where a traveler may have a taxable income reporting requirement based on the duration and intent of the TDY assignment. Such scenarios are described below.
- b. **Long-Term Travel Assignments:** For taxation purposes, the IRS defines two types of long-term assignments: temporary (non-taxable TDY) and long-term/indefinite (taxable TDY). Both types of assignments are described below:
 - 1) **Temporary (Non-Taxable TDY):** If an assignment is expected to last less than one year, and is completed in less than one year the assignment is temporary, and travel expense reimbursements are not taxable.
 - 2) **Long-Term/Indefinite (Taxable TDY):** Long-Term TDY assignments considered long-term/indefinite are taxable under any of the following scenarios and must be reported taxable to ESC via e-mail, 9-AMC-AMK343-PCS-Travel@faa.gov:
 - a) If an assignment in a single location is expected to last more than one year, or there is no realistic expectation that it will last less than one year, the assignment is long-term or indefinite, and reimbursements are taxable for the duration of the assignment.
 - b) If an assignment in a single location is initially expected to last less than one year (temporary), but it is then determined that the assignment will last longer than one year, then the tax status changes from temporary (non-taxable) to long-term or indefinite (taxable) on the date this determination is made, not retroactively. Travelers and their AO must promptly report adjustments and assignment duration to ESC via e-mail, 9-AMC-AMK343-PCS-Travel@faa.gov.
 - c) If a traveler has a realistic expectation that travel will last more than one year, but the assignment lasts less than one year, the assignment is considered long-term or indefinite, and all reimbursements pertaining to that assignment are taxable.
 - d) AOs must report long-term travel TDY taxable TA’s to ESC via e-mail, 9-AMC-AMK343-PCS-Travel@faa.gov.

Table 1: Taxability of Travel Expense illustrates when travel expense reimbursements are taxable.

Table 1 Taxability of Travel Expense			
Expected Length of Assignment	Actual Length of Assignment	Type of Assignment	Taxability of Travel Expenses
Less than one year	Less than one year	Temporary	Not taxable

Unable to determine if more or less than one year	One year or longer	Long-Term/Indefinite	Taxable from day one
Over one year	One year or longer	Long-Term/Indefinite	Taxable from day one
Over one year	Less than one year	Long-Term/Indefinite	Taxable from day one
Less than one year	One year or longer	Long-Term/Indefinite	Taxable from the day assignment is determined to extend past one year

Failure to show tax liability on the TA, or to report to an OA's finance office, that a TDY assignment is long-term or indefinite will have adverse effects on the taxes the finance office reports for the traveler through payroll and may cause the traveler to default on their Federal, State and Local tax obligations. Travelers are ultimately responsible for correctly reporting their tax liability to the IRS and should work with the AO to ensure that the accurate classification is reflected on their TA prior to the beginning of their long-term TDY assignment.

- c. Significant Break in Long-Term TDY Assignment: The IRS determines when breaks in long-term TDY assignments are long enough to be considered significant. In this sense, "significant" refers to periods of time that are long enough to end the long-term TDY assignment taxability. For example, a 90-day long-term TDY assignment followed by a break for 30 days and then a return to the long-term TDY location for another 90 days does *not* constitute a significant break in taxability. In other words, the taxability clock that runs during long-term TDY assignments would *not* reset to zero. To reset the taxability clock, the time spent at the travelers ODS or other LTTDY location must equal the time spent on long-term TDY.

Table 2: Taxability Clock Example illustrates an example of a taxability clock.

Table 2 Taxability Clock Example	
(Taxable TDY)	(Non taxable TDY)
90 days at long-term TDY	
30 days at ODS	
90 days at long-term TDY	90 days at long-term TDY
30 days at ODS	90 days at ODS
90 days at long-term TDY	90 days at long-term TDY
+30 days at ODS	+90 days at ODS
12 months total = taxable TDY	12 months total = <i>Not</i> taxable TDY

If a person performs TDY travel at one location, on and off, for one year or more and most of their time is spent at the TDY location, they are considered to be on a long-term or indefinite assignment and any travel reimbursements received are taxable. OAs must report all reimbursements as income paid to the traveler from the point it can be reasonably determined that an assignment will exceed 365 days. This duration may cross calendar and/or fiscal years. Additionally, if a traveler’s official duties require a series of short assignments to the same location that together span the majority of one year or longer, these trips are considered one taxable long-term or indefinite TDY assignment. Supervisors shall not break long-term TDY assignments into shorter period trips or adjust assignment durations to change tax implications. A traveler who takes vacation or breaks from a long-term TDY assignment for fewer than 45 days or performs TDY at an alternate location for fewer than 30 days is still considered to be on a long-term TDY assignment and must report their taxes accordingly.

- d. Long-Term Extended TDY Tax Reimbursement Allowance (ETTRA): When a traveler’s TA will include taxable long-term TDY, the traveler’s AO will work with ESC travel and Permanent Change of Station (PCS) team personnel (AMK-343) to create the estimated Withholding Tax Allowance (WTA). This WTA is an estimate of taxes owed and intended to reimburse most of the taxes the traveler will owe on their taxable reimbursement. Since the OAs reimburse most of the traveler’s taxes, there is an additional expense to the OA. At the end of the tax year, the traveler will be required to file a travel claim for ETTRA reimbursement. The ETTRA is designed to offset the true tax implications associated with completing a long-term TDY assignment during a tax year. The ETTRA reimbursement is approximately equal to the taxes paid in the prior tax year and the taxes due on the ETTRA in the upcoming tax year. The allowance is considered taxable income and is subject to the same tax withholding as other income. These withholdings may include income and employment taxes, Federal Insurance Contributions Act tax (FICA) (i.e., social security tax), and Medicare. Travelers are prohibited from claiming reimbursement for any employment taxes that are withheld. The ETTRA reimbursement is included on the traveler’s W-2 as taxable income for the tax year payment was received. DOT’s payroll provider, Department of Interior (DOI) Interior Business Center (IBC), will not issue lump-sum payments for the ETTRA.

Table 3: Relocation ETTRA Tax Table demonstrates the tax implications for a traveler and OA.

ETTRA Tax Table	
WTA Entitlement	\$1,000.00

TAX Category	Tax Percentage	Amt. Taxed
Fed Income Tax Withholding (FITW) - Reflects Gross-Up for WTA	28.205%	\$282.05*
Entitlement plus WTA Gross-Up		\$1,282.05
FICA	6.200%	\$79.49
MEDI	1.450%	\$18.59
		\$901.92*
Net Amount of Voucher		*

NOTES:

*The FITW is offset by the WTA. The WTA is an entitlement and is taxable. The FITW is grossed up to cover the taxes on the WTA entitlement. The FITW adjustment is computed when the traveler files their Relocation Income Tax Allowance (RITA) claim.

**The net amount is the amount of the entitlement minus FICA and MEDI taxes. A debt will be created for traveler's portion of FICA and MEDI. This debt calculation will occur for each entitlement paid.

FTR Reference: § 302-17.24

- e. Documentation Required to Substantiate ETTRA Claims: IBC does not accept Federal or State income tax returns as supporting documentation for ETTRA claims; travelers should not send tax returns to a Department or OA finance office. Travelers must provide the following documentation to substantiate ETTRA claims:
- 1) Travel vouchers;
 - 2) ETTRA Certification; and
 - 3) Copy of the W-2(s). Travelers can obtain copies of the W2 through the Employee Express website or they can contact their payroll offices to request duplicate copies.
- f. Timelines for ETTRA Claim Submissions: ESC will assist the OAs in sending notifications regarding ETTRA filing deadlines and forms to all travelers who have been on taxable long-term TDY assignments during the year. Travelers must file ETTRA claims annually for taxable travel. ETTRA claims are typically due in March or April and processed no later than June 30th. The reimbursement allowance will offset the additional taxable income resulting from travel reimbursements as reported on a traveler's W-2 Form(s) for the year.
- g. ETTRA Calculations Explained: The ETTRA is calculated by the same method used for RITA reimbursement. ESC will assist the OA official in calculating the reimbursement and must first determine the appropriate Federal, State, and local marginal tax rates. The official should refer to the marginal tax tables for the RITA and the RITA tax table(s). The official must consider any excess per diem payments. If a traveler is authorized a higher per diem rate (i.e., actual expense reimbursement), the amount of per diem exceeding the locality rate is considered a withholding tax allowance for the ETTRA calculation. If a traveler was issued any excess payment for WTA for a tax year, the traveler's finance office is responsible for collecting those excess payments. If the traveler was not issued enough WTA during the year to offset their Federal, State, and Local taxes, a payment for that

amount of taxes owed will be issued. ESC will assist the OA if there is a need to issue corrected W-2 or 1099 Forms in some instances.

- h. Subletting a Residence: Any tax obligations incurred by a traveler because of subletting a residence while on long-term TDY assignment are solely the obligation of the traveler.