

UNDERSTANDING OHA/LQA AND UTILITY ALLOWANCE (Overseas Housing Allowance for Military Living Quarters Allowance for Civilians)

Overseas Housing Allowance (OHA Military): Military members who have a signed community housing rental agreement are allowed the Overseas Housing Allowance and Move-In Housing Allowances (MIHA). See Sections 4, 5 and 6 of this Packet for MIHA allowances. Your OHA is a cost reimbursement based allowance, meaning you will receive what you are actually paying for rent and is not your maximum OHA ceiling. Please contact the Housing or Finance office for the latest OHA ceiling for your grade or check the following website <http://www.defensetravel.dod.mil/site/ohaCalc.cfm> for information and current rates for Overseas Cost of Living Allowances and Overseas Housing Allowances.

Advanced OHA: You may need to request an OHA advance. Beginning a rental agreement is very costly: first month rent; security deposit, painting fees, purchasing miscellaneous items, i.e. curtains, etc. For advanced OHA visit Finance Office in Bldg 1403 (refer to map in **Packet 1, Section 1**), they will provide information on how to request the advance.

Living Quarters Allowance (LQA Civilians): You are authorized LQA for rent and utilities. While Department of State (DoS) is responsible for setting LQA rates, the employing activity is responsible for determining eligibility under the regulations in DSSR, Chapter 100, Section 130 and the DoD Civilian Personnel Manual - DoD 1400.25-M, Subchapter 1250.

Advanced LQA: You may need to request a LQA advance. LQA advance is done IAW the Agency/Service regulations based on DSSR 133.3 requirements. Beginning a rental agreement is very costly: first month rent; security deposit, paint fees, purchasing miscellaneous items, i.e. curtains, etc. To determine your eligibility or other questions pertaining to LQA, please contact Civilian Personnel Office at DSN 632-7291.

NOTE: Mil-to-Mil Members will each receive OHA up to the maximum set based on grade with or without dependents, but be aware OHA, as a cost reimbursement, only pays for the actual rent.

Your OHA/LQA allowance is the lesser of your OHA/LQA ceiling (limit) or the rental amount; you are paid dollar for dollar for your rent, you cannot pocket any amount between your rent and your OHA/LQA ceiling.

If you decide you will spend out-of-pocket costs, that is your prerogative, personnel decision and choice. However, that is not an open-ended decision. If you are E6 or below, you must have a MFR signed by your First Sergeant or Commander concurring with your decision. If after you move into the house and find that your finances become unacceptable and you cannot cover this additional cost, this does not constitute a hardship and you will NOT be provided a government funded move (remember, it was your decision to not follow the approved process).

Military Utility/Recurring Maintenance Allowance: You will receive a monthly utility/recurring maintenance allowance based on family status (accompanied/unaccompanied) and location, which is added to the rent amount under BAH on your LES. You will receive the same amount each month to help pay for your utilities. You should set money aside for higher winter bills as well as bills paid upon presentation by the landlord, i.e. water, trash/recycling and sewage as well as minor maintenance for annual boiler/furnace and air conditioning inspection/cleaning. See **Packet 3, Section 3** for additional utility information. Each Mil-to-Mil Members or sharers will receive 50 percent of the allowance.

Civilian Utility Allowance: Your utility costs are based on actual expenses. The first year utility costs will be estimated and then you will need to reconcile with Civilian Personnel. It is very important to reconcile your expenses to compensate for the first year estimate versus actual expenses incurred. If estimates are too high you will be required return excess funds. Failure to do this reconciliation could result in a significant expense back to Uncle Sam when you PCS, i.e. receiving years of over payments. Additional annual reconciliations are at your discretion. In addition to electric, gas, water, garbage and trash, you can include firewood. You should set money aside for higher winter bills as well as bills paid upon presentation by the landlord, i.e. water, trash/recycling and sewage. You are not reimbursed for annual boiler/furnace and air conditioning inspection/cleaning.

Military Cost-of-Living Allowance (COLA): COLA is paid when goods and services purchased on the local economy are more expensive than if purchased in the U.S. The OHA and utility allowance will appear as BAH on your LES. The Cost-of-Living Allowance (COLA) will appear as COLA.

Civilian Post Allowance: The Post Allowance is just like the military COLA to offset goods and services purchased on the local economy which are more expensive than if purchased in the U.S. LQA and utility allowance it will appear as LQA on your LES and Post Allowance will appear as POST ALLOW.

Understanding Your Allowances and the Rate of Exchange: Fluctuation of the exchange rate needs to be considered in foreign countries. The two items on your military/civilian Leave and Earnings Statement (LES) that change when the exchange rate fluctuates are OHA/LQA and COLA/POST ALLOW.

The Per Diem Transportation and Travel Allowance Committee (PDTATAC) in Alexandria, VA, adjust OHA and COLA according to fluctuations in the dollar/Euro exchange rate. COLA decreases when it takes fewer dollars to buy local currency for shopping on the local economy, and increases when the exchange rate is unfavorable and your dollars buy less local currency.

Here is how it works: the OHA/COLA coordinator for Italy collects, on a daily basis, the rates in effect at finance centers in Aviano, other DOD installations in Italy, and Base Bank in Aviano. These are not market or bank rates but those available to the average military/civilian member. The daily average rates are reported to PDTATAC where they are used to compute an "allowance rate" average that is applied only to the local purchase portion of allowances. PDTATAC monitors the exchange rates throughout the year and prescribes new allowances when the accumulated difference between the "allowance rate" and the "actual rate" reaches a threshold of five percent. Allowance adjustments can be made as frequently as every pay period.