

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. The OHA Allowance Rate Table is NOT provided in this brochure since the amounts change every 2 weeks. 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.

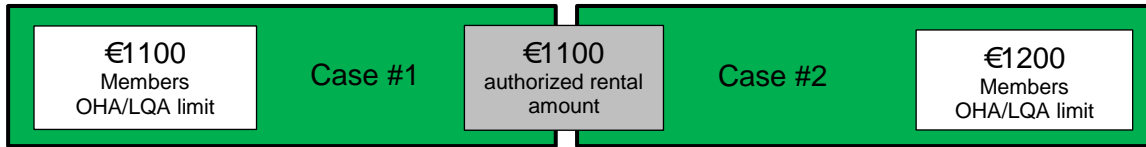
OHA/LQA Rent Ceiling vs Rental Calculation: The maximum allowable OHA/LQA rent ceiling is based on your grade, location, and whether you have dependents. The authorized rental amount is calculated by the Housing Office as set forth in **Packet 3, Section 2**. Advertised rental rates are not necessarily the approved rental rates. In most cases, landlords will agree to the approved rental calculation amount.

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 your calculated rental amount; you are paid dollar for dollar for your rent, you cannot pocket any amount between your rent and your OHA/LQA ceiling. The lease will not be approved for more than the approved rental calculation amount even if it is less than your OHA/LQA ceiling. From the graphic below; let's cover 2 different potential cases to help clarify this type of situation. In both cases we assume you want to lease a house that has an authorized rental amount of €1100.

- In case #1 your allowance limit is €1100 and since the authorized rental amount is €1100 your lease would be approved for €1100.

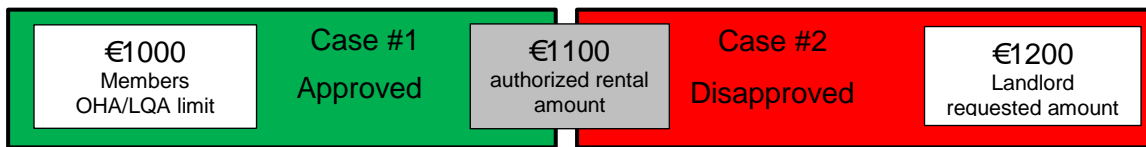
- In case #2 your allowance limit is €1200 and the authorized rental amount is €1100; therefore, your lease would be approved for €1100. This is designed to prevent rent inflation from landlord's wanting more in rent than the unit is worth or what local authorities allow.



Again, be advised and fully aware that your OHA/LQA allowance will not be increased beyond the approved rental calculation even though it may be less than your OHA/LQA rent 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. From the graphic below; let's cover 2 different potential cases to help clarify this type of situation. In both cases we assume you want to lease a house that has an authorized rental amount of €1100.

- In case #1 your allowance limit is €1000 and the authorized rental amount is €1100. You want this house and are willing to pay the €100 difference out of pocket. Your **lease will be approved at €1100** and you will be required to set up your monthly payment to cover the €1100. As stated in **Section 1** of this Packet, you will be asked to sign a Memo for Record acknowledging your financial obligation. 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).
- In case #2 the authorized rental amount is €1100 and your allowance limit is €1000. The landlord is demanding €1200. You want this house and are willing to pay the €200 difference out of pocket; your **lease will not be approved** because the amount requested exceeds the authorized rental amount of €1100. Again, this is designed to prevent rent inflation from landlord's wanting more in rent than the unit is worth or what local authorities allow.



WARNING: So you might hear about people having a second contract with the landlord to cover this difference. You need to know Italian Law prohibits paying rent in excess of what is indicated on the lease agreement. You should also know that when Airmen take this course of action to satisfy their personal desires they are having a negative impact on the entire Aviano AB U.S. work force. If landlord's believe they can get additional rent by creating this second contract then the available inventory is artificially inflated. Over time, landlord's will wait for a higher ranked Airmen to lease their unit with this second contract which effectively eliminates lower ranked Airmen from having an equal opportunity to lease the same unit.

Military Utility/Recurring Maintenance Allowance: You will receive a monthly utility/recurring maintenance allowance based on your rank 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.

Instructions for Claiming OHA DD Form 2367 (the form is shown on page 5-6 of this Section): Forms are available in the Housing lobby area.

- Block 1a, b, c: self-explanatory
- Block 1d(1): write Aviano AB
- Block 1d(2): write Aviano
- Block 1d(3): write Italy
- Block 1d(4): your duty phone starts 632-
- Block 2: select Yes if dependents residing elsewhere and specify their location
- Block 3: this is NOT your PSC address; write your actual physical address in Italy
- Block 4: write the same date that is on your lease
- Block 5a-b: you will select box a (local currency) and write in Euro;
- Block 6a-b: in most all cases you will select box a and write in your rent amount; if you are or have purchased a home you'll choose box b and write the requested information
- Block 7a-c: If you are a homeowner; check block a. If you are not a home owner you select the appropriate box given your lease conditions. In most cases you will select box a if you are paying utilities to the landlord and/or through Home Fuels (see **Packet 3, Section 3**). If utilities are included in your lease, such as condos, you select box b. If you pay separately for some utilities and some are included in the lease you select box c and make boxes c (1)-(5) for the utilities included in lease.
- Block 8a-e: this block of info is to determine if a housing allowance is being "shared" by the household. Select the box that represents your situation, this could be military married to a non-qualifying dependent (box 8a); military to military (box 8b); or military married to a federal civilian (box 8c), etc.
- Block 9: if you select blocks 8b or 8d from above, you need to provide the full name(s), SSN, and branch of service on the reverse side of this form in the Remarks block
- Block 10e: read the certification text then sign and date the form
- Block 11: completed by the housing officer
- Block 12: completed by the certifying official

Instructions for Claiming Living Quarters Allowance Computation Worksheet Annual Reconciliation Review (the form is shown on page 7 of this Section): Forms are available in the Civilian Personnel Office (CPO) at DSN 632-7291. NOTE: when taking this form to CPO you will also need every receipt you are claiming to be verified by the CPO coordinator

- Name: self-explanatory
- Grade: self-explanatory
- Street Address: write your physical address
- City: write the city that you reside
- No. of Dependents: write the number of dependents in your household
- There are 3 statements to address if they apply to your situation
- Year 20__ column: this is an annual reconciliation

For all the remaining columns you put in the totals in the currency you used to pay the bill. If a column does not apply to your situation then you leave it blank

- Rent: list your monthly rent in the currency that you pay (if using a bank allotment you'll list the US dollars that you paid at that time for the set rental amount (it changes with currency fluctuation))
- Electric: list your electricity charges, this could be monthly, bi-monthly, or quarterly; you can also claim the fee charge by Home Fuels if you are using their service
- Gas: list your natural gas charges, you can also claim the fee charge by Home Fuels
- Fuel/Heating: list your propane and/or heating fuel expenses
- Water: list your water charges; in some case you might be paying 2 separate bills, one for city water and another for water used in your yard; usually provided by your landlord
- Trash: list your trash collection expenses; usually provided by your landlord
- Other: list any other utility type expense you may have such as
- Sign and date the form: this can be done when you sit down with the CPO coordinator after reconciling your claimed expenses against the actual receipts.

INDIVIDUAL OVERSEAS HOUSING ALLOWANCE (OHA) REPORT				INTERAGENCY REPORT CONTROL NUMBER 0374-DOD-AR			
<i>Before completing, read Privacy Act Statement and Warning on reverse side.</i>				REPORT CONTROL SYMBOL DD-P&R(AR)1697			
PART A - IDENTIFICATION AND HOUSING INFORMATION							
1. SERVICEMEMBER				3. SERVICEMEMBER'S RESIDENCE ADDRESS <i>(Street, Apt. No., City, Country)</i>			
a. NAME <i>(Last, First, Middle Initial)</i> SMITH JOHN				123 PARADISE AVIANO ITALY			
b. PAY GRADE E-6		c. SSN 999-99-9999		4. EFFECTIVE DATE OF LEASE/RENTAL/SALE AGREEMENT <i>(YYYYMMDD)</i> 20181009			
d. DUTY STATION OR HOMEPORT				5. IN WHAT CURRENCY IS YOUR RENT OR MORTGAGE PAID? <i>(X one)</i> <i>(See Instructions on reverse side if you pay rent three or more months in advance.)</i>			
(1) Station Name AVIANO				a. LOCAL CURRENCY <i>(Specify name of currency. Report amount in Item 6.)</i>		EURO	
(2) City AVIANO				b. U.S. DOLLARS			
(3) Country ITALY		(4) Duty Phone 632-XXXX		6. X THE APPROPRIATE BOX TO INDICATE WHETHER YOUR RESIDENCE IS LEASED OR OWNED AND GIVE THE MONTHLY RENTAL AMOUNT OR THE PURCHASE PRICE IN THE CURRENCY YOU SPECIFIED IN QUESTION 5.			
2. ARE YOU ENTITLED TO A COST-OF-LIVING OR OVERSEAS HOUSING ALLOWANCE FOR DEPENDENTS RESIDING ELSEWHERE? <i>(X one)</i>				X		a. LEASED/RENTED <i>(Enter monthly rent below. If sharing, report TOTAL rent, not your share.)</i> 600.00	
YES <i>(Specify location)</i>						b. OWNED <i>(Enter original purchase price. Include only cost of home, EXCLUDE closing costs, taxes, etc.)</i>	
X NO or NOT APPLICABLE							
<i>HOMEOWNERS, SKIP QUESTION 7 AND GO DIRECTLY TO QUESTION 8.</i>							
7. UTILITIES <i>(Excluding telephone) (X appropriate block)</i>				8. TO DETERMINE IF YOU ARE A "SHARER" FOR HOUSING ALLOWANCE PURPOSES, ENTER AN X IN THE BOX AT LEFT FOR EACH CATEGORY OF INDIVIDUAL OCCUPYING YOUR RESIDENCE. FOR EACH CATEGORY YOU X, ENTER THE NUMBER REQUESTED IN THE BOX AT RIGHT, THEN RECORD THE TOTAL IN THE BOX AT THE BOTTOM. (NOTE: Do not count dependents unless covered by category c.)			
X		a. I SEPARATELY PAY FOR ALL UTILITIES. NONE ARE INCLUDED IN RENTAL/LEASE AGREEMENT WITH LANDLORD.		X		a. MYSELF	
		b. I DO NOT SEPARATELY PAY FOR ANY UTILITIES <i>(excluding telephone)</i> . ALL UTILITIES ARE INCLUDED IN RENTAL/LEASE AGREEMENT AND PAID BY LANDLORD.				b. SPOUSE WHO IS ALSO A SERVICEMEMBER <i>(Enter "1")</i>	
		c. I SEPARATELY PAY FOR SOME UTILITIES <i>(excluding telephone)</i> AND SOME ARE INCLUDED IN RENTAL/LEASE AGREEMENT WITH LANDLORD. <i>(Complete items (1) - (5) below indicating utilities/services of which your landlord provides the MAJORITY.)</i>				c. SPOUSE OR OTHER DEPENDENT WHO IS A FEDERAL CIVILIAN EMPLOYEE ENTITLED TO LIVING QUARTERS ALLOWANCE <i>(Enter number)</i>	
		(1) Electricity				d. OTHER SERVICEMEMBERS ENTITLED TO A HOUSING ALLOWANCE <i>(Enter number)</i>	
		(2) Heating				e. EXCLUDING DEPENDENTS, ANY OTHERS NOT COVERED ABOVE WHO PAY A PORTION OF THE RENT, MORTGAGE, AND/OR UTILITIES <i>(Enter number)</i>	
		(3) Air conditioning <i>(X if window units used and landlord provides electricity.)</i>				TOTAL <i>(8a through e) (If result exceeds "1", you are considered a "sharer".)</i>	
		(4) Water or Sewer				1	
		(5) Trash Disposal					
9. If Block 8.b. or 8.d. is marked, report their full name(s), Social Security Number(s) and Branch of Service in "Remarks" on reverse.							
PART B - CERTIFICATIONS							
10. SERVICEMEMBER. I certify that:				11. HOUSING OFFICER or APPROPRIATE OFFICIAL.			
a. The information I have reported is true and correct.				I have reviewed and verified the member's lease/rental/sale agreement and information from it was properly reported.			
b. I will immediately inform my commanding officer if any changes occur to the information I have reported.				a. MIHA/MISCELLANEOUS PAYMENT AUTHORIZED? <i>(X one)</i>			
c. The attached copy of my housing lease/rental/sale agreement (or certification from landlord) is true and correct, if applicable.				(1) Yes		(2) No.	
d. I have read the overseas housing allowance briefing sheet provided by my commander or authorized representative, if applicable.				If Yes, entitlement is:		(a) Initial	
e. SIGNATURE				b. SIGNATURE		c. DATE SIGNED <i>(YYYYMMDD)</i>	
f. DATE SIGNED <i>(YYYYMMDD)</i>				d. TITLE			
12. CERTIFYING OFFICIAL. I have reviewed this action and certify the entitlement. If applicable to this action, member has read the overseas housing allowance briefing sheet and is aware of his/her entitlements and responsibility to report any changes.							
a. TYPE HOUSING ALLOWANCE ACTION <i>(X one)</i>				b. MIHA/MISCELLANEOUS ENTITLEMENT <i>(X one)</i>			
(1) Start		(3) Stop		(1) Initial		(2) Subsequent	
(2) Change		(4) Correct		(3) None			
		(5) *Cancel		c. EFFECTIVE DATE OF ACTION <i>(YYYYMMDD)</i>			
		(6) *Report		*For Air Force use only			
d. DOES MEMBER HAVE COMMAND-SPONSORED DEPENDENTS IN AREA OF PERMANENT DUTY STATION?				X		(1) Yes	
e. SIGNATURE				f. TITLE		(2) No	
g. DATE SIGNED <i>(YYYYMMDD)</i>							

PRIVACY ACT STATEMENT

AUTHORITY: 37 USC Section 405, and EO 9397.

PRINCIPAL PURPOSE(S): To determine eligibility for, to start, adjust or terminate Overseas Housing Allowance.

ROUTINE USE(S): In addition to being used by officials and employees of the applicant's Uniformed Service in determining eligibility, the information provided herein may be provided to law enforcement personnel investigating those suspected of fraudulently obtaining allowances. Information may also be disclosed under certain circumstances to other Federal agencies, members of Congress, State and local government, and U.S. and State courts.

DISCLOSURE: Voluntary; however, failure to provide SSN may preclude timely consideration of your request for an allowance determination.

WARNING: Making a false statement or claim against the U.S. Government is punishable by courts-martial. The penalty for willfully making a false claim or a false statement in connection with claims is a maximum fine of \$10,000 or imprisonment for five years, or both.

SPECIAL INSTRUCTIONS FOR MEMBERS PAYING THREE OR MORE MONTHS RENT IN ADVANCE

In certain countries it is customary to pay advance rent rather than month-to-month rent. If you pay your rent more than three months in advance, X block 5b. (U.S. Dollars) even though you paid your advance rent in local currency. In Part C, "Remarks," enter the following information:

- (1) "Rent paid ____ months in advance."
- (2) Amount of advance rent (in local currency, if that is how you paid).
- (3) Exchange rate at which you converted your dollars to local currency to pay the advance rent, if applicable.

Compute monthly rent as follows and report in Item 6.a.:

- (1) Divide advance rent by number of months rent paid in advance to determine monthly rent.
- (2) If applicable, convert monthly rent to dollars by dividing by exchange rate at which you converted your dollars to local currency.

Those paying rent in advance should realize that rental ceilings set by the Department of Defense may decrease due to periodic exchange rate fluctuations. Accordingly, their OHA, which is computed as a monthly entitlement, may also decrease during the months when rental payments are not actually being made.

If upon expiration of the advance rental period the member must again pay rent three or more months in advance, another DD Form 2367 must be completed unless the derived rental amount previously reported in Item 6.a. remains unchanged.

PART C - REMARKS

MEMBER SHALL INITIAL EACH LINE, ACKNOWLEDGING HE/SHE HAS BEEN BRIEFED

MEMBER'S LEASE BREAKDOWN (MONTHLY)

_____ Landlord Approved Lease Price: _____

_____ Maximum OHA based on Member's Rank: _____

_____ OHA to be paid to Member by 31 CPTS: _____

_____ Member IS / IS NOT required to supplement OHA in order to cover monthly Housing Office Approved Lease Price. (+ _____/mo)

_____ Member IS/IS NOT entering this lease as a 'sharer'. Additional Leasee's name: _____

_____ Member understands OHA will be adjusted for changes in rank (promotion or demotion), but NTE Housing Approved Lease Price

_____ Member is aware that separate/additional contracts with Landlords and/or Realtors are not authorized. The Housing Office will not be able to assist with any issues resulting from contracts worked outside of the government sanctioned system.

LIVING QUARTERS ALLOWANCE COMPUTATION WORKSHEET – ANNUAL RECONCILIATION/REVIEW

This form is provided to all US Civilian employees receiving LQA to record all housing costs. Complete applicable portions, attach copies of receipts or other evidence of payment and submit to the Civilian Personnel Office (CPO)

Name		Grade
Street Address		
City		No. of Dependents
If you share quarters, provide name of individual and employing agency		
If you rent quarters from a government employee, provide name and agency		
If you rent a portion of your quarters, provide name of lessee and amount received		

MONTHLY ALLOWABLE LQA COSTS IN LOCAL CURRENCY/U.S. DOLLARS

YEAR 20__	RENT	ELECTR.	GAS	FUEL/ HEATING	WATER	TRASH	OTHER (SPECIFY)
JAN							
FEB							
MAR							
APR							
MAY							
JUN							
JUL							
AUG							
SEP							
OCT							
NOV							
DEC							
TOTAL							

The above information is true and correct to the best of my knowledge. I understand that I am obliged to notify the CPO of any change in conditions which may affect the amount of allowances authorized.

SIGNATURE OF EMPLOYEE

DATE