

# HROM FACTSHEET

## Living Quarters Allowance

Issued: April 2017

### This Fact Sheet:

- Defines LQA and its purpose
- Provides highlights on LQA Eligibility Determination
- Explains how and when to submit LQA Requests and Reconciliation requirements
- Details the process of LQA Payments

## Background

Living Quarters Allowance (LQA) is granted for the annual cost of suitable and adequate living quarters for eligible employees. It is intended to cover the average cost of rent, utilities, and other allowable expenses per the Department of State Standardized Regulations (DSSR). A maximum LQA rate is established by the Department of State (DoS) for each overseas location and is based on the employee's grade, quarters group, and family size. LQA reimbursement is either actual expenses or the maximum rate whichever is the lesser amount. A LQA reconciliation is required after the first year of occupancy in new quarters and in certain other situations outlined below.

## Highlights

- LQA is discretionary. It is neither an automatic salary supplement nor an entitlement. During the initial job offer process, candidates complete an LQA Eligibility Questionnaire that is used to determine their eligibility. Firm job offers will include eligibility information.
- Reconciliations are required and are to be submitted within 45 days after the 12 month anniversary date of initial occupancy of quarters (extensions may be granted for circumstances beyond the employee's control); when an employee moves into different quarters; when requested by the employee; or when determined by management. No further reconciliation will normally be needed for the same residence. However, an employee may request a voluntary reconciliation if he/she believes that the expenses changed significantly. Please see the LQA Reconciliation HROM FactSheet for more information.
- Any changes that may affect the LQA grant must be reported to the assigned Human Resources (HR) Specialist at the servicing Human Resources Office in Arlington, VA. This includes any increase/decrease in rent/utilities, changes in employee status, or family member status (i.e. marriage, divorce, addition to family, or child leaving for college/reaching maximum age), etc.

## Process & Required Documents

An employee is required to submit the following to his or her assigned HR Specialist or [SMB\\_HQMC\\_HROM\\_OVERSEAS@USMC.MIL](mailto:SMB_HQMC_HROM_OVERSEAS@USMC.MIL) to initiate, modify, and terminate LQA payment.

- [Foreign Allowances Application, Grant and Report \(SF-1190\)](#)
- [LQA Worksheet \(DSSR 130\)](#) The amounts should include actual rent costs according to signed lease and estimated utilities costs without exceeding the LQA maximum rate
- **Signed Lease** (only needed when initiating LQA)

## Payment of LQA

- Once received by HR, LQA generally takes up to two pay periods to process and begin payment. LQA is based on the annual cost of living quarters and is paid biweekly. The annual LQA rate is divided by the number of days in the calendar year to obtain a daily rate and then multiplied by 14 to obtain a biweekly rate. It reflects on the Leave and Earning Statement (LES) as nontaxable income.

## Frequently Asked Questions

### Q. What expenses are eligible for LQA reimbursement?

A. Generally, LQA eligible expenses include costs for rent, heat, light, fuel, gas, electricity, water, taxes levied by the local government and required by law or custom to be paid by the lessee, insurance required by local law to be paid by the lessee, and agent's fee required by law or custom to be paid by lessee. See DSSR 131.2 for complete regulations.

### Q. How is LQA Calculated?

A. The authorized annual LQA rate is divided by the number of days in the calendar year (365 or 366 for leap years) to obtain a daily rate and then multiplied by 14 to obtain a biweekly rate. The Defense Finance and Accounting Service (DFAS) uses the authorized foreign currency expenses and converts them into U.S. dollars using their established exchange rate. DFAS will automatically adjust LQA payments each pay period when there are changes in DoS maximum rates or foreign currency conversion rates.

### Q. How are maximum LQA rates determined?

A. LQA maximum rates are set by the DoS for government civilians assigned to overseas locations. These rates are calculated based on actual reported cost data. To calculate a specific maximum rate, first note the employee's grade, duty location, and the number of family members residing with the employee (not including employee). Based on the charts below, determine the LQA quarters group and additional percentage of LQA (if applicable). With this information, go to [https://aoprals.state.gov/web920/lqa\\_all.asp?menuhide=1](https://aoprals.state.gov/web920/lqa_all.asp?menuhide=1), select the date, find the proper location and the correct 'with family' or 'without family' column. If the employee is with more than 1 additional family member, add the correct additional percentage of LQA. This is the maximum annual LQA rate. Please note that rates can and will fluctuate throughout the year which can have an effect on LQA payments. LQA payments received are either the maximum or actual eligible expenses, whichever is less.

LQA QUARTERS GROUPS	
Group 2	GS 14 – GS 15
Group 3	GS 10 – GS 13
Group 4	GS 1 – GS 9

RATES FOR EMPLOYEES WITH MORE THAN ONE FAMILY MEMBER (EXCLUDING EMPLOYEE)	
Members of Family	Additional % of LQA
2 – 3	10%
4 – 5	20%
6 or more	30%

### Q. Is LQA authorized if residing in government quarters?

No, LQA is not authorized when residing in government quarters. For those receiving LQA while living on the local economy, LQA would terminate on the date immediately preceding that on which government quarters are occupied.

### Q. Is LQA authorized for personally owned quarters overseas?

Yes, in most cases and if the employee is found eligible for LQA. The amount of the rental portion of the allowance (up to 10 percent of the original purchase price) is limited to a period not to exceed ten years at which time the employee will be entitled only to utility expenses, garbage and trash disposal, plus land rent if applicable.

## Additional Information

Human Resources Organizational Management, Headquarters United States Marine Corps  
<http://www.hqmc.marines.mil/hrom/>

Department of State Standardized Regulations [https://aoprals.state.gov/content.asp?content\\_id=231&menu\\_id=92](https://aoprals.state.gov/content.asp?content_id=231&menu_id=92)

DoD Financial Management Regulation (FMR) 7000.14-R Volume 8, Chapter 3  
[http://comptroller.defense.gov/Portals/45/documents/fmr/Volume\\_08.pdf](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_08.pdf)

## Still need assistance?

For additional questions or assistance with the LQA or any Foreign Allowances, contact your servicing HR Specialist or [smb\\_hqmc\\_hrom\\_overseas@usmc.mil](mailto:smb_hqmc_hrom_overseas@usmc.mil)