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[Separation Travel Pay Entitlements for Uniformed Personnel].
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Report to Robert B. Pirie, Jr., Acting Assistant Secretary,
Department of Defense: Assistant Secretary of Defense (Manpower,
Reserve Affairs and Logistics); by H. I. Krieger, Director,
Federal Personnel and Compensation Div.

Issue Area: Personnel Management and Compensation (300).
Contact: Federal Personnel and Compensation Div.
Budget Function: National Defense: Military Pay (059).
Organization Concerned: Department of Defense.
Authority: Career Compensation Act of 1949, as amended (37
U.S.C. 404).

Under regulations prescribed by the military services, travel allowances may be paid upon a serviceman's separation or release from active duty; the amount paid is not to exceed travel costs from his last duty station to his home of record or the place from which he was called or ordered to active duty. Joint Travel Regulations entitle military members to receive additional separation travel allowances for dependents, but the regulations allow payment for dependent travel only to places where they intend to reside. A military member can receive a travel allowance without regard to actual travel, but his or her family may not. An examination of separation mileage payments made during February 1977 at seven Air Force stations indicated that, for 30% of the payments, the future mailing address of the separating member was different and/or closer to the point of separation than the home of record or place from which the member was called to active duty. If mileage allowances had been paid according to the future mailing address, there was a potential for saving about \$8,350 or \$87 per case. Total potential Air Force savings were about \$1.3 million annually. Unnecessary expenses might be avoided by paying separation mileage allowances according to the intended future residence of the member and by putting all mileage payments on an after-the-fact basis. (RRS)

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

NOV 15 1978

B-125037

The Honorable Robert B. Pirie, Jr.
Acting Assistant Secretary of Defense

Dear Mr. Pirie:

We have completed a limited review of separation travel pay entitlements for uniformed personnel and wish to present an area for your consideration before performing further work. We believe that the Department of Defense (DOD) would benefit without adversely affecting separating personnel by paying them only for travel actually performed, which is not the case today. We recognize that the current practice--paying an amount not to exceed the cost to the member's home of record or place from which ordered to active duty--is longstanding and administratively easier. But we also feel that this practice is not as appropriate as it once may have been. In view of today's highly mobile population, many departing personnel are undoubtedly choosing to establish new residences. In recognizing these choices DOD could at the same time reduce separation travel costs.

AUTHORITY FOR SEPARATION
TRAVEL PAYMENTS

Section 303(a) of the Career Compensation Act of 1949, as amended (37 U.S.C. 404) provides that, under regulations prescribed by the Secretaries of the military departments, travel allowances may be paid on a serviceman's separation or release from active duty--the amount paid not to exceed the travel costs from his last duty station to his home of record or the place from which he was called or ordered to active duty (underscoring supplied).

At the request of DOD, a provision (37 U.S.C. 404(f)) was included that allowed a military member to be paid a separation travel allowance, regardless of whether he performed the travel involved. The purpose of the provision was to simplify administrative procedures by paying a mileage allowance at the time of separation, rather than requiring

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personnel to perform travel and submit claims for reimbursement.

DOD Joint Travel Regulations establish that a member on active duty who is separated from the Service or relieved from active duty is, with certain exceptions, entitled to a mileage allowance of 10 cents a mile from his last duty station to his home of record or the place from which he was ordered to active duty. Members opting for the mileage allowance receive it at the time of separation without regard to actual performance of travel.

SEPARATION ENTITLEMENTS DIFFER FOR DEPENDENTS

The Joint Travel Regulations entitle military members to receive additional separation travel allowances for dependents. However, regulations allow payment for dependent travel only to places where they intend to reside. Thus, while a military member can receive a travel allowance without regard to actual travel, his or her family may not.

For example, we identified an enlisted member who entered active duty (second tour) at Luke Air Force Base (AFB), Arizona. He was separated January 7, 1977, at Grissom AFB, Indiana, and elected to receive travel allowances to his place of enlistment (Luke AFB), 1,822 miles at 10 cents or \$182.20. At the same time, he showed Grand Forks, North Dakota as his future mailing address. He was paid transportation allowances for his dependents' travel from Grissom to Grand Forks, after their travel was actually performed. Thus, it is clear that Grand Forks, North Dakota, was his intended residence after separation, not Arizona. Had his transportation allowance been based on Grand Forks, he would have been paid for 861 miles, or \$86.10, instead of \$182.20, a savings of \$96.10.

POTENTIAL SAVINGS IF PAYMENTS BASED ON COSTS INCURRED

We examined separation mileage payments made during February 1977 at seven widely-spaced Air Force stations. For 30 percent (96 of 319) of the payments, the future mailing address of the separating member was different and/or closer to the point of separation than the home of record or the place from which called to active duty. Had the mileage allowance been paid according to the future mailing address, we estimated potential savings of about \$8,350, or \$87 per case. Based on about 50,000 Air Force separations during fiscal year 1977, we project total potential savings

of about \$1.3 million (50,000 x 30 percent x \$87). The other military departments could expect similar savings.

SUGGESTED ACTION

There are two reasons for payment of mileage on separation without regard to actual performance of travel. First, advance payment assures that the member who does travel will have funds for his return home; second, it is simpler administratively than paying claims after travel is performed. On the other hand, payment without regard to actual performance results in considerably greater costs to the Government. This is true because of the election that is permitted between two places for payment of mileage. Naturally, in making elections, members will choose the greater of the two distances.

The Government is unquestionably obligated to pay for necessary travel by military members including return home on termination of service. There is no convincing reason why it should pay for travel not performed or not to be performed. We believe the Congress agreed to allow payment of separation travel allowances without proof of travel performed to simplify administrative procedures, not to provide additional compensation to personnel.

Some ways in which these unnecessary expenses might be avoided are:

- Pay separation mileage allowances according to the intended future residence of the member, provided that payments do not exceed the distance to the member's home of record or place from which called to active duty. Members electing to receive the advance mileage allowance would be asked to certify their intended travel destination. Our review indicates that payment made according to future residence could be implemented without legislative amendment and would not be an additional administrative burden.
- Put all mileage payments on an after-the-fact basis, the same as presently required for travel to home of selection upon retirement and for all dependent travel. Similar time limits for claiming payment would apply. Payment for travel to any place could then be allowed, not to exceed maximum entitlement, and provided travel is actually performed. Transportation in kind or transportation requests could be furnished members who do not have enough money to return home on separation, as is now done for certain other categories of separatees.

We believe that either of the above alternatives would reduce travel costs and more closely meet the intended purpose of the allowance.

We would be pleased to discuss this area further should you desire and invite your comments on actions you plan to take.

Sincerely yours,



H. L. Krieger
Director