



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

January 30, 2014

CBCA 3380-RELO

In the Matter of KERRY D. STRAIT

Kerry D. Strait, Walla Walla, WA, Claimant.

Anne Schmitt-Shoemaker, Deputy Director, Finance Center, Army Corps of Engineers, Millington, TN, appearing for Department of the Army.

VERGILIO, Board Judge.

The agency properly calculated claimant's liability for relocation income tax. For purposes of the calculation, the pension income from the claimant's husband, reported on an Internal Revenue Service (IRS) form 1099, not a W-2, was not to be considered.

The claimant, Kerry D. Strait, a civilian employee of the Army Corps of Engineers, relocated her duty station during 2012, for which she received relocation compensation. The agency paid a withholding tax allowance. Upon receiving claimant's relocation income tax allowance (RITA) voucher in 2013, the agency determined that the claimant was liable for an overpayment of \$918.58. The claimant asserts that the agency inappropriately calculated the income (based upon the married, joint return), when the agency failed to include pension income of her husband reported on a form 1099.

The applicable Federal Travel Regulation (FTR) specifies that for purposes of determining income level under the regulation, the appropriate earned income shall include only the amount of gross compensation reported on IRS form(s) W-2, and, if applicable, the net earnings (or loss) from self-employment income. 41 CFR 302-17.8(d) (2012) (FTR 302-17.8(d)). The agency correctly did not include the pension income in determining the tax allowance. By regulation, the claimant is obligated to repay the amount found due. FTR 302-17.9(b)(3). *W. Don Wynegar*, GSBICA 15602-RELO, 01-2 BCA ¶ 31,563.

The Board denies the claim.

JOSEPH A. VERGILIO
Board Judge