



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

September 15, 2014

CBCA 3957-RELO

In the Matter of JOSHUA W. HUGHES

Joshua W. Hughes, North Bonneville, WA, Claimant.

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

WALTERS, Board Judge.

Claimant, Joshua W. Hughes, in connection with a permanent change of status (PCS) as an employee of the Army Corps of Engineers, was afforded a withholding tax allowance (WTA) to approximately cover the income tax created by reason of PCS relocation benefits. The agency subsequently asserted that there had been an overpayment of WTA, since claimant's marginal tax rate was only 15% and not the 25% tax rate used to compute the WTA. As a result, and in reliance on regulation, 41 CFR 302-17.8, it posits that claimant is indebted to the agency for the \$5004.49 overpayment. Claimant has asked the Board to review the agency's determination.

In the present case, the parties are in agreement that claimant is a bargaining unit employee under a collective bargaining agreement (CBA) and is represented by a union. Claimant advises that he attempted to pursue a grievance and sought unsuccessfully to determine whether the CBA would cover PCS travel and the instant dispute concerning alleged WTA overpayment. In response to the Board's inquiry, the agency asserts that claimant is represented by the United Power Trades Organization (UPTO) and states that the UPTO CBA "does not provide an exception for travel and relocation to the grievance procedure for the processing and disposition of grievances." Although claimant asserts that he is a bargaining unit employee under another union's CBA, that of the National Federation

