

Frequent Flyer Info from DA SOCO

Implementing Regulations

The statute has been implemented by the following applicable regulations. For DoD military and civilian personnel, the Joint Federal Travel Regulation and Joint Travel Regulation, respectively, have been revised and can be found at <http://141.116.74.201/regchgs.htm>.

The Joint Ethics Regulation, DoD 5500.7-R, has been changed as of January 10, 2002, to be consistent with the Act. The change will be posted shortly on the SOCO web site under the Joint Ethics Regulation and is also attached below.

Application to 31 U.S.C. 1353

P.L. 107-107 states that promotional benefits that result from travel accepted pursuant to 31 U.S.C. 1353 (official travel paid by a non-Federal entity) may be retained by the employee. The Joint Travel Regulation and Joint Federal Travel Regulation no longer address this issue, and the Joint Ethics Regulation does not offer additional guidance. Thus, provided that the entity that paid for the travel does not object, Federal military and civilian personnel may retain frequent flyer miles that are derived from such travel.

Taxability of the Benefit

GSA has advised that it has asked the IRS for information about the taxability of frequent flyer miles. It is possible that such benefits may be considered to be additional compensation, and taxed accordingly. Until a ruling is received, it is recommended that personnel who redeem frequent flyer miles or other promotional benefits keep a record of such redemptions.

Supervisory Challenges

Under the new rules, it is not unforeseeable that some personnel may attempt to schedule travel in order to acquire frequent flyer miles or other promotional items. For example, travel may be increased by scheduling travel that is not necessary, scheduling meetings in more distant locations, or scheduling travel that involves multiple legs. Personnel who have frequent flyer accounts for one carrier may attempt to avoid use of the contract (city-pairs) carrier when they do not have a frequent flyer account for the contract carrier. Such attempts, to the extent that they increase the costs of travel to the Government, violate the Joint Ethics Regulation, and, in some cases, may violate criminal conflicts of interest statutes.

Upgrade to First Class

Personnel on official travel may now use frequent flyer miles, because they belong to the individual, to upgrade to first class. However, each Military Department has issued guidance regarding the wearing of uniforms while traveling in first class accommodations.