OFFICE OF THE ASSISTANT SECRETARY OF WAR
1500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-1500

MANPOWER AND
RESERVE AFFAIRS

AUG 2 6 2026

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Implementation of Non-Foreign Living Quarters Allowance for Department of War Civilians in Positions Permanently Stationed on Guam

References: (a) Deputy Secretary of War Memorandum, "Authorization of Non-Foreign Living Quarters Allowance for Department of War Civilians in Positions Permanently Stationed on Guam," dated July 27, 2026
(b) Guam Non-Foreign Living Quarter Allowance Rates

Reference (a) authorizes the Department of War (DoW) Components to provide a non-foreign living quarters allowance (NF-LQA) to eligible DoW civilian employees whose permanent duty station is Guam. The current NF-LQA rates for Guam are available in reference (b).

Per reference (a), the Secretaries of the Military Departments, Directors of Defense Agencies, and Directors of DoW Field Activities with independent appointing authority for themselves and their serviced organizations are responsible for determining the occupational series within their organization which will be paid NF-LQA in Guam. This authority may be further delegated, as detailed in reference (a).

To ensure efficient implementation, DoW Components must identify the applicable occupational series and issue implementing guidance by September 10, 2026. A list of the Component's designated occupational series must be sent to osw.pentagon.ousw-p-r.mbx.cpp-wg-i@mail.mil.

For policy related questions, my point of contact is Ms. Katie Deibler who can be reached at Kathryn.d.deibler.civ@mail.mil. For operational questions, please contact the Defense Civilian Personnel Advisory Service Employment and Compensation, Field Advisory & Support, dodhra.mc-alex.dcpas.list.ec-field-advisory--support@mail.mil.

Michael A. Cogar
Deputy Assistant Secretary of War for Civilian Personnel Policy

Attachments:
As Stated

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DEPUTY SECRETARY OF WAR
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JUL 27 2026

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
DEFENSE AGENCY AND DOW FIELD ACTIVITY DIRECTORS

SUBJECT: Authorization of Non-Foreign Living Quarters Allowance for Department of War Civilians in Positions Permanently Stationed on Guam

Reference: Section 1102 of the National Defense Authorization Act for Fiscal Year 2026 (Public Law 119–60), "Living Quarters Allowance for Department of Defense Civilian Employees with Permanent Duty Station in Guam"

Pursuant to the reference, I authorize Department of War (DoW) Components to provide a non-foreign living quarters allowance (NF-LQA) to eligible DoW civilian employees whose permanent duty station is Guam. This NF-LQA is separate and distinct from the living quarters allowance prescribed within the Department of State Standardized Regulations, which apply solely to permanent duty stations in foreign areas.

The Secretaries of the Military Departments, Directors of Defense Agencies, and Directors of DoW Field Activities with independent appointing authority for themselves and their serviced organizations are responsible for determining the occupational series within their organization which will be paid NF-LQA. This authority may be further delegated to the Assistant Secretaries of the Military Departments for Manpower and Reserve Affairs, or for the Defense Agencies and DoW Field Activities, to the Department's Chief Human Capital Officer.

This NF-LQA authorization, which addresses DoW's challenges attracting and retaining a skilled civilian workforce in Guam for positions experiencing critical shortages, may be provided when Government-provided housing is unavailable, and may cover either reimbursement or advance payments for rent and utilities (to include heat, light, fuel, gas, electricity, and water). I am dedicated to ensuring that this authority directly supports alleviating the housing burden on our civilian personnel stationed in Guam and allows them to focus on their critical work supporting our national security.

This authorization, which is effective immediately and terminates on December 18, 2028, does not apply retroactively. It is incumbent upon the DoW Components implementing this authorization to validate the availability of funds prior to execution. Implementation policy and procedures are attached.

My point of contact is Mr. Michael A. Cogar, Deputy Assistant Secretary of War for Civilian Personnel Policy, at (703) 571-9282 or michael.a.cogar3.civ@mail.mil.

Attachment:
As stated

OSD004950-26/CMD006412-26

Attachment

IMPLEMENTATION POLICY AND PROCEDURES FOR NON-FOREIGN LIVING QUARTERS ALLOWANCE FOR DEPARTMENT OF WAR CIVILIANS PERMANENTLY STATIONED IN GUAM

1. Authority.

Section 1103 of the Servicemember Quality of Life Improvement and National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2025 (Public Law 118–159), as modified by section 1102 of the NDAA for FY 2026 (Public Law 119–60), authorizes the Secretary of War to grant a non-foreign living quarters allowance (NF-LQA) to any civilian employee of the Department of War (DoW) whose permanent duty station (PDS) is located in Guam.

a. In accordance with DoD Directive 5124.02, the Under Secretary of War for Personnel and Readiness (USW(P&R)) is delegated the authority to issue the Department's policy on NF-LQA, and shall incorporate this policy as established by the Deputy Secretary of War into an appropriate DoW issuance, at which time the policy memorandum shall be cancelled.

b. It is DoW policy that:

(1) Components will pay NF-LQA to meet mission-based workforce requirements.

(2) Components will pay NF-LQA consistently across their respective Component by designating occupational series where payment of NF-LQA is critical to recruit and retain employees. All Component employees in the Component's designated occupational series in Guam will be paid NF-LQA. These occupational series will be known as NF-LQA applicable occupational series.

(3) NF-LQA is designed to substantially cover the average allowable costs for suitable, adequate quarters, including rent, heat, light, fuel, gas, electricity, and water. Reimbursement for extraordinary, necessary, and reasonable expenses not otherwise compensated for, incurred in initial repairs, alterations and improvements to the privately leased residence in Guam of a covered employee may be made when

(a) The expenses are administratively approved in advance; and

(b) The duration and terms of the lease justify payment of the expenses by the Government.

c. This policy applies to the Office of the Secretary of War (OSW), the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the DoW, the Defense Agencies, the DoW Field Activities, and all other organizational entities within the DoW (referred to collectively in this policy as the "DoW Components").

d. This policy's purpose is to outline the roles and responsibilities of various stakeholders and provide a standard framework for DoW Components to administer this allowance.

e. The Secretaries of the Military Departments, Directors of Defense Agencies, and Directors of DoW Field Activities with independent appointing authority for themselves and their serviced organizations are responsible for determining the occupational series within their organization which will be paid NF-LQA. This authority may be further delegated to the Assistant Secretaries of the Military Departments for Manpower and Reserve Affairs, or for the Defense Agencies and DoW Field Activities, to the Department's Chief Human Capital Officer.

f. This authority expires on December 18, 2028.

2. Scope.

a. NF-LQA is an allowance to help cover the costs for suitable quarters and utilities for DoW civilian employees assigned to permanent duty in Guam who are not provided with Government-owned or -leased quarters.

b. The allowance is not a salary supplement and is subject to change based on DoW-established rates.

3. Roles and Responsibilities.

a. The Under Secretary of War for Personnel and Readiness (USW(P&R)). The USW(P&R) shall establish policy and provide guidance on NF-LQA implementation.

b. The Deputy Assistant Secretary of War for Civilian Personnel Policy (DASW(CPP)). The DASW(CPP) under the authority, direction, and control of the Assistant Secretary of War for Manpower and Reserve Affairs, shall develop, revise, and monitor DoW policy and implementation of NF-LQA.

c. DoW Component Heads.

(1) Ensure that NF-LQA is authorized consistent with this policy and any additional procedures issued by the DASW(CPP).

(2) Are delegated the authority to determine eligibility and grant NF-LQA. This authority may be further delegated in writing to the lowest practicable level.

4. Eligibility.

a. To receive NF-LQA, the employee must be an appropriated fund civilian employee of the DoW whose PDS is located in Guam and assigned to permanent duty in Guam. Additionally, the employee must work in an NF-LQA applicable occupational series, as designated by the employing Component.

b. An employee found ineligible under the conditions below may subsequently be determined eligible for NF-LQA when there is a change in the circumstance(s) for which they were deemed ineligible. The following types of employees are ineligible for NF-LQA:

(1) Nonappropriated fund employees.

(2) An eligible employee who meets the following conditions:

(a) The employee or the employee's spouse own or are purchasing quarters in Guam.

(b) The employee or the employee's spouse sell or are gifted ownership of quarters in Guam, with the employee remaining in the same quarters.

(c) The employee's spouse is receiving a quarters allowance in Guam.

(3) A domestic employee teleworking in Guam, who is assigned to a position outside of Guam, but performs his or her duties from Guam by agreement with his or her employing agency, is not eligible to receive NF-LQA.

5. Granting of the Allowance.

a. Commencement of the Allowance.

(1) The allowance will commence on the date the employee reports for duty in Guam and establishes a private residence. If Temporary Quarters Subsistence Expense (TQSE) is authorized, NF-LQA will commence the day after TQSE terminates.

(2) Current Federal Employee Who Becomes Eligible. The NF-LQA may be granted to any employee not paid under paragraph 5.d.(1) and will commence as of one of the following dates, whichever is latest:

(a) For employees with a current private residence in Guam, the date the employing Component designates the employee's occupational series as an NF-LQA applicable occupational series.

(b) The date the employee is assigned to a position with an occupational series that is designated as an NF-LQA applicable occupational series by the employing Component.

(c) The date that an otherwise eligible employee ceases to occupy temporary or permanent quarters for which they pay no rent.

b. Continuance of the NF-LQA. NF-LQA may continue provided the employee continues to maintain and pay for their quarters in Guam when the following occur:

(1) While the employee is in a non-pay status for a period less than or equal to 30 consecutive calendar days. Suspension of payments will occur on the 31st day the employee is in a non-pay status. This provision will not apply when the non-pay status is solely due to a lapse of appropriations.

(2) When a position change occurs (e.g., promotion, reassignment, change-to-lower grade), and the employee remains eligible for the allowance, the DoW Component must

complete the required documentation for continuation of NF-LQA.

c. Revision of the NF-LQA, if required, will occur as of the following dates:

(1) The first day of the next pay period following the date of any of the following occurrences (or the date of the occurrence, if such falls on the beginning of the pay period):

(a) The effective date of an authorized change in the Guam NF-LQA rates.

(b) A change in the employee's family status.

(c) A determination by the DoW Component addressed under a separate section of this policy.

(2) The 61st consecutive calendar day following commencement of a "with family" NF-LQA rate authorized when the family has not arrived in Guam.

(3) The first day following the 180th day of absence from Guam of all members of an employee's family with a revision from the "with family" rate to the "without family rate."

d. Termination of the NF-LQA.

(1) Position Change. NF-LQA will be terminated effective the date of the employee's position change (e.g., promotion, reassignment, change-to-lower grade, conversion to new appointment) when the employee or position is no longer eligible for NF-LQA.

(2) Transfer. When an employee receiving NF-LQA transfers to a non-covered position, termination will be as of the following dates, whichever is earliest:

(a) NF-LQA will terminate the date preceding the employee occupying temporary quarters. The DoW Component may authorize the continuation of NF-LQA for a period of three days if it is determined that it is necessary to meet lease requirements for cleaning and repairing or the packing of household goods.

(b) The date the employee commences travel per the permanent change of station orders, or in conjunction with combined leave and permanent change of station orders; or

(c) The effective date of the transfer, when no permanent change of station or travel is involved to a non-covered position with another agency (e.g., the Federal employee transfers from the Department of the Navy to the Department of the Army) while continuously remaining in Guam.

(3) Separation. When an employee granted NF-LQA separates from a position, NF-LQA will terminate at the end of the last day of employment, unless an earlier termination date is applicable as provided in section 5.d.

(4) Occupancy of Government Quarters. When an employee granted NF-LQA receives furnished Government-owned or -leased quarters at no personal cost, NF-LQA will terminate on the date immediately preceding the date Government quarters are made available to the employee. The exception would be if the employee is occupying Government-owned or leased quarters during the temporary absence of the regular occupant and at the same time must maintain their own quarters.

(5) Cessation of Payment for Quarters. When an employee granted NF-LQA ceases maintaining and paying for quarters in Guam, the incentive will terminate on the date expenditure for quarters ceases, unless it terminates prior to such date under the provisions of any other section.

(6) The employee falsified or failed to submit required NF-LQA information or documentation (rental agreements, receipts, etc.). NF-LQA will terminate immediately when the DoW Component officially determines an employee falsified or intentionally misrepresented information related to NF-LQA, or the employee fails to submit required reconciliation documents within the required timelines, as established in the DoW Component's procedures. The employee must repay any amount that was paid under falsified or intentionally mispresented information and may be subject to disciplinary actions.

(7) Notwithstanding the provisions of this section, the DoW Component head, or their designee, may terminate NF-LQA based on mission requirements such as, but not limited to, a reduction in force, insufficient funds, or changes in eligibility based on removal of an occupational series from the Component's designated NF-LQA applicable occupational series. The DoW Component must provide the employee with written notification of any decision to terminate the incentive. DoW Components, as practical, will provide a 90-day notice to the employee before NF-LQA termination.

(8) NF-LQA will be terminated the date following the employee's departure from the covered position under military orders when authorized a military housing allowance for Guam.

(9) NF-LQA will be terminated when directed by higher headquarters, or as directed by higher authority authorized to grant allowance.

e. Reconciliation.

(1) An annual reconciliation is required for each employee receiving NF-LQA. The DoW Component shall establish procedures for processing a reconciliation for NF-LQA. The employee receiving NF-LQA must provide documentation and/or receipts that support the claimed amounts.

(2) If an employee fails to submit receipts, allowance payments will be suspended until submission of supporting documentation.

(3) Officials approving allowance claims for payments will verify that claimed amounts are supported by receipts and will not approve payments that are not supported with appropriate documentation.

(4) NF-LQA payments will not exceed the amount paid in rent and utilities up to the maximum amount authorized.

6. Determination of Rate.

Except as otherwise prescribed, an employee will receive NF-LQA for allowable quarters costs for items listed in the definitions for rent and scope or the maximum rate for Guam, whichever is less, unless there is a revision of the rate by administrative action.

a. Special Rules.

(1) "With Family" Rate Pending Arrival of Family. The DoW Component head, or their authorized designee, may grant, at their discretion, the appropriate "with family" rate to an employee who incurs expenses for family-like quarters in anticipation of their family's arrival. Revision of the employee's NF-LQA must occur if the family does not arrive in Guam within 60 consecutive calendar days after the start of the allowance, in accordance with paragraph 5.c.(2).

(2) Married Couples Rates. The following rules apply to a married couple:

(a) An employee eligible for NF-LQA who is married to an employee receiving NF-LQA at the "with family" rate or other housing quarters allowance shall not receive NF-LQA.

(b) An employee who is married with a service member receiving a military housing allowance for Guam will not receive NF-LQA.

(c) An NF-LQA eligible employee, who was not in receipt of NF-LQA due to section 4., may become eligible for NF-LQA payments upon the departure of their spouse from Guam, spouses' loss of NF-LQA or military housing allowance or if they no longer occupy Government-owned or leased quarters at no charge.

(d) An NF-LQA eligible employee, who was not in receipt of NF-LQA due to section 4., may become eligible for NF-LQA upon the divorce or legal separation. A legal separation exists when either the employee or spouse has initiated legal action to dissolve the marriage, or one separates from cohabitation short of applying for a divorce. The employee must not occupy Government-owned or leased quarters at no charge.

(e) If only one of the married couple is eligible for NF-LQA, the "with family" rate may be granted to that employee plus increments for additional members of the family.

(3) Employee Downgraded in Position to Lower Quarters Group.

(a) An employee downgraded in grade level resulting in a lower quarters group per paragraph 7.b., but who receives grade retention under 5 U.S.C. § 5362, shall receive the NF-LQA applicable to their retained grade and quarters group. This provision is subject to other

applicable provisions of this guidance. This provision will be in effect for the duration of the employee's grade retention entitlement.

(b) An employee whose conversion is to or from the existing General Schedule (GS), Federal Wage System (FWS), GG, or other personnel classification system to or from a Pay Banding System such as, but not limited to, Acquisition Workforce, Personnel Demonstration Project, or Defense Civilian Intelligence Personnel System, may cause the employee to fall into a lower quarters group (paragraph 7.b.), the employee, despite the conversion, may remain in the higher quarters group if they remain in the position occupied at the time of their conversion or were involuntarily moved to another position. Exceptions to this provision are when the reassignment is for cause or is at the personal request of the employee.

(4) To prevent excessive overpayments, each employee should be cautious not to overestimate expenses for utilities during the approval period. Any overpayments for utilities and rent are subject to debt collection in accordance with DoD Financial Management Regulation, Volume 16.

(5) The employee will execute repayment of any unjustified disbursements during the annual payment period once notified of the indebtedness.

(6) Regardless of any other provisions of this guidance, the DoW Component head, or their designee, is required to authorize payment of less than the full amount of the NF-LQA or to withhold payment altogether when the employee shares, leases, sublets, or otherwise contracts the use of their quarters or any part thereof (including related services, furniture, or other goods) to a third party, or business use or for personal gain. To implement this provision, the DoW Component head, or their designee, shall act as they deem necessary, including an authorized inspection of quarters.

7. Payment.

a. Rates of Payment.

(1) The calculation of the NF-LQA rate of payment applies the appropriate allowance classification found in this section. The rates obtained for NF-LQA are maximum and the employee receives either the maximum rate or the amount of allowable expenses, whichever is lower.

(2) NF-LQA is computed and paid at annual rates, divided by the number of days in the calendar year to obtain a daily rate (counting 1/2 cent and over as a whole cent); multiplying the daily rate by 14 to obtain a biweekly rate; and multiplying the daily rate by the number of days involved to obtain the rate for any other period. The rate for any split pay period at the end of a calendar year shall be computed at the daily rate applicable on the first day of that pay period.

b. Quarters Allowance Groups. The table below is a grouping by personnel classification of the various categories of Government personnel who are eligible for NF-LQA, including an

employee covered under the GS; FWS, or any approved Pay Banded System. The grade equivalents in the following table are for the purpose of establishing NF-LQA rates only.

c. "With Family" or "Without Family" Rates. The NF-LQA classifications are the primary classifications for an employee with one accompanying family permanently residing in the same quarters as the employee in Guam and for any employee without family permanently residing in the same quarters as the employee on Guam.

QUARTERS GROUPS	PERSONNEL CLASSIFICATIONS[1]			
	GS	WG	WL	WS
1	SES/SL			
2	14-15			
3	10-13	14-15	12-15	11-19
4[2]	01-09	01-13	01-11	01-10

8. Reporting Requirements.

a. The DoW Components are required to submit on the use of the authority 1 year after the date of the enactment of the NDAA for FY 2026 and annually thereafter.

b. DoW Component reports must include:

(1) A narrative on the impact of the use of the authority on recruiting and retaining employees in Guam;

(2) The list of Component designated NF-LQA applicable occupational series;

(3) The number of employees that receive NF-LQA; and

(4) Pay plan, series, grade, and title of positions authorized and paid NF-LQA.

[1] Inclusive of equivalent pay bands or other pay systems. If an employee's pay band encompasses two quarters groups, the employee will receive the NF-LQA quarters group rate for the higher of the two groups. For example, a NJ 03 is equivalent to the GS 09-11 which falls in both quarters group 3 and 4. In that scenario the employee would receive quarters group 3.

[2] An Employee in quarters group 4 (who are or equivalent to GS 7-9, WG 12-13, WL 10-11 and WS 1-10) who have 15 years of U.S. Government service (as reflected by their service computation date for leave) will receive the quarters group 3 NF-LQA rate.

Guam Non-Foreign Living Quarters Allowance Rates

Quarters Groups: Inclusive of equivalent pay bands or other pay systems

NF-LQA Allowance Group	Personnel Classification	Wage Group		
	GS	WG	WL	WS
Group 1	SES, SL			
Group 2	14-15			
Group 3	10-13	14-15	12-15	11-19
Group 4	01-09	01-13	01-11	01-10

Rates:

NF-LQA Allowance Group	Annual Housing Allowance Without Dependents	Annual Housing Allowance With Dependents
Group 1	$35,040	$40,800
Group 2	$31,536	$36,720
Group 3	$28,382	$33,048
Group 4	$25,544	$29,743

Rates for Employees with More Than One Family Member:

An employee with more than one accompanying family member permanently residing in the same quarters as the employee in Guam is eligible to receive an allowance for their group plus the applicable amount shown below:

Members of Family	Additional Percentage of NF-LQA
2-3	10%
4-5	20%
6 or more	30%