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Permanent Change of Station Obligation Policy Change

“Think of this policy change as the difference between a credit card and a debit card. Prior to 2009, PCS orders were written as if on a credit card. The Navy would pay the bill once the service member executed the move. Today, orders are written as if on a debit card. Once the orders are released, the Navy is charged.”

– Rear Adm. Donald P. Quinn, Deputy Chief of Navy Personnel

The Department of Defense directed a change to how the military services fund permanent change of station (PCS) orders in fiscal year 2009 and beyond. In an effort to best manage government funds, the services now obligate all PCS costs when orders are issued, rather than when orders are executed. Prior to this fiscal year, the services were authorized to issue PCS orders on credit, which potentially allowed for writing more sets of orders than were funded. The previous policy also allowed PCS orders to be written, but funded with next fiscal year’s dollars, permitting Sailors to set-up household goods shipments, arrange for family member travel, and receive dislocation allowances in advance of their actual detachment date. That flexibility has been removed with the new policy change.

Transitioning from the PCS system of the past

To best provide for Sailors and manage government funds, the Navy has worked to implement the permanent change-of-station obligation policy change while minimizing the impact to the force.

- Current funding levels support all PCS moves through the remainder of this fiscal year, and for a portion of fiscal year 2010. However, many Sailors scheduled to detach during the first quarter of fiscal year 2010 will not receive orders until after Oct. 1.
- The Navy is working to minimize impacts on Sailors in future years. Initiatives include funding and issuing orders in the current year for moves occurring early in the following fiscal year.
- To best support mission accomplishment, fleet sustainability and training pipeline mobility, PCS orders will continue to be issued with the following priorities: Global War on Terror Support Assignment rotations, career milestone billets such as joint duty, critical readiness fills, fills that minimize gaps at sea for deployed units and for Sailors preparing to deploy.
- To avoid the financial obligation of personally funding a PCS move and forfeiting certain PCS allowances and entitlements, Sailors and their families are advised not to move before receipt of PCS orders.
- Navy leadership and detailers will continue to directly provide PCS move information to affected Sailors.

PCS of the future

Orders are now being issued on a pay-as-you-go system, as if using a debit card. The Navy is working to balance the needs of the service with the need of Sailors.

- As the Navy moves into the second fiscal year under this new policy, most Sailors will receive adequate notice and issuance of orders to properly execute their move. Because the Navy is funding orders as they are written, we will operate under tighter fiscal constraints, in order to uphold our charge as stewards of tax-payer dollars.
- To adhere to the Department of Defense policy, letters of intent that include accounting data are not authorized as they also obligate funds in advance of actual PCS orders.

Key Messages

- The Navy has implemented PCS procedural changes in order to meet DoD requirements.
- Costs for PCS moves are incurred on the date orders are written. Advance orders and letters of intent for upcoming PCS orders are no longer possible.
- Sailors and their families remains the Navy’s priority.
- Sailors who incur personal moving costs before their PCS orders are written cannot be reimbursed.

Facts & Figures

- The Navy rotates approximately 95,000 Sailors in a 12-month period (excluding accessions and separations).
- Of those, about 70,000 are cost moves and 25,000 are no cost.
- Fiscal year 2009 PCS funds support releasing about 30 percent of fiscal year 2010 first quarter orders before Oct. 1.