

PCS and retirement gifts

Although quite common, PCS and retirement gifts require careful attention to the ethics rules to ensure a kind gesture doesn't turn into a legal headache. After all, people are more likely to appreciate gifts they can legally keep!

The general rule is that federal employees – both uniformed and civilian – cannot, directly or indirectly: 1) give a gift or make a donation towards a gift for an official superior, or solicit a contribution from another employee for a gift to his or another's superior; or 2) accept a gift from a lower-paid employee, unless the donor and recipient have a personal relationship and are not in an official superior-subordinate relationship. However, a subordinate can give – and the superior can accept – a gift upon occasions that terminate a subordinate-official superior relationship, such as retirement, resignation, or transfer.

The Standards of Conduct and the Joint Ethics Regulation (JER) place restrictions on the value of PCS and retirement gifts. Each retirement or PCS gift must have a market value of \$300 or less per gift group, although the \$300 limit does not include the cost of food, refreshments, and entertainment provided to mark the occasion for the gift. (i.e., the retirement party or "farewell.") Since the \$300 limit is calculated per gift group, the group giving the gift should be clearly identified, and contributions to multiple gift groups must be avoided. For example, a maintenance squadron and force support squadron both wanted to give retirement gifts to their departing wing commander valued at \$200 each. So long as all contributions to the maintenance gift were from people in the maintenance squadron – and likewise with the force support squadron's gift – each gift would be under the \$300 limit and proper. (Presuming all other rules were followed). However, change the facts and have one member of the maintenance squadron donate to both the MXS and FSS gifts, and the values of the gifts have to be added together, resulting in an illegal \$400 gift. Based on that example scenario, you can see how important it is to make sure contributions stay within their designated gift group.

In addition, the rules restrict how the money for the gift can be gathered. You can only ask someone for a \$10 or less contribution to a PCS or retirement gift, although you can ask for a separate contribution for the food, refreshments, and entertainment at the party that doesn't count against the \$10 limit on the gift. Although you can only ask for \$10 or less towards the gift, people are free to donate more than \$10. All solicitations of contributions towards a gift or the party must be completely voluntary – both in fact and appearance. That means that you must take steps to avoid the appearance of coercion or pressure, such as: 1) have the most junior ranking member within the gift group solicit the voluntary contributions, and 2) do not keep lists of who has or hasn't donated to the gift. The importance of keeping the gift contributions voluntary cannot be emphasized enough! Always ask yourself, "if I were the most junior-ranking member of this gift group, would I feel free to not donate towards the gift?"

Finally, the rules restrict who can contribute to retirement or PCS gifts. Only federal employees may contribute to a retirement or PCS gift. No non-federal employees, such as contractors, can contribute to the gift, nor can they use this exception. Any gift from a prohibited source (such as a DoD contractor) must qualify for one of the existing exclusions or exceptions on gifts from outside sources, regardless of the expressed motivation for the gift. For example, a DoD contractor may still potentially give a \$15 movie theater gift card to a wing commander as a retirement gift under the "\$20 per-gift / \$50 per-source-per-year" exception, so long as the other ethics rules regarding conflicts of interest and the appearance of impropriety are met.

If you have any questions regarding ethics, please visit the Little Rock AFB Legal Office located at 1250 Thomas Avenue or call (501) 987-7886.