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What happens to BAH under housing privatization?

Fort Sill, Oklahoma, October 17, 2008 – As the privatization of on-post housing approaches, some Soldiers may be wondering how the transfer of responsibility will affect their Basic Allowance for Housing (BAH).

Before privatization, a military family essentially forfeited the BAH in exchange for living in government quarters on post. Beginning November 1, families living on Fort Sill will start seeing their BAH show up on their Leave and Earnings Statement (LES). At the same time the BAH starts being paid, service members living in on-post housing will allot it to Sill Communities, LLC. This limited liability company is made up of Sill-Picerne Partners, LLC and the U.S. Army.

“Rather than receiving the BAH into their accounts and then making monthly rental payments, service members have signed a Resident Occupancy Agreement (ROA), or lease,” said Teddi Clanton, Picerne Military Housing Community Management Director. “The signed ROA gives the government permission to start the rent allotment, which equals the Soldier’s BAH entitlement for his or her rank and should reflect any BAH increases or decreases that occur.”

If a family is dual military (both husband and wife are on active duty), both service members will receive the appropriate BAH. Their rent will equal the senior grade member’s BAH at the “with dependent” rate. The couple will be able to keep the other service member’s BAH.

After the ROA was signed, the Soldier’s information was entered into a database for the company collecting allotments. The BAH will be collected and managed by the Military Assistance Company (MAC), an allotment management contractor that reports to the Army.

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BAH, ADD ONE

MAC has been processing allotments since 1985 and serves 44 military housing offices in all branches of the service. The payment system is fully automated and is interfaced with the Defense Finance and Accounting Service (DFAS). This system facilitates initiating, managing, tracking, updating and stopping the BAH allotments. The BAH is paid to the Sill Communities partnership on the last day of the month, which means the allotment for November will be paid on the last day of November. That is when Soldiers will see the first transaction appear on their LES.

The BAH amount being paid will appear on the left side of the LES under “Entitlements.” The rent allotment will appear in the third column on the right side of the LES under “Allotments” for an amount equal to the BAH. There will be no change in a family’s take home pay.

“Stopping the BAH allotment upon move out will be as easy as starting it. Once Picerne Military Housing has officially cleared the resident and any charges for damages beyond normal wear and tear have been paid, the allotment will be stopped,” Clanton said.

After move out, any refund due will be made within 10 business days after Sill Communities receives the allotment for the month’s rent. The rent payment process is designed to be transparent and seamless.

If a Soldier’s BAH does not appear on his or her LES on the last day of November, or they receive the entitlement but it is not taken out as an allotment, the Soldier should see their Neighborhood Manager immediately. The BAH money is earmarked for rent. If the Soldier spends it, he or she will be responsible for paying rent until the problem is corrected.

Picerne Military Housing is family owned and operated and has been building and managing residential communities for 84 years. The company has also partnered with Forts Meade, Bragg, Polk, Rucker and Riley under the RCI program. Picerne Military Housing has also been selected to partner with Aberdeen Proving Ground in Maryland.

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