37.113-1 Waiver of cost allowability limitations.

(a) The *head of the agency may* waive the 31.205-6(g)(6) cost allowability limitations on severance payments to foreign nationals for contracts that-

- (1) Provide significant support services for-
- (i) Members of the armed forces stationed or deployed outside the United States, or
- (ii) Employees of an executive agency posted outside the United States; and
- (2) Will be performed in whole or in part outside the *United States*.
- (b) Waivers can be granted only before contract award.
- (c) Waivers cannot be granted for-
- (1) Military banking contracts, which are covered by <u>10 U.S.C. 3744(d)</u>; or

(2) Severance payments made by a contractor to a foreign national employed by the contractor under a DoD *service contract* in the Republic of the Philippines, if the discontinuation of the foreign national is the result of the termination of basing rights of the *United States* military in the Republic of the Philippines (section1351(b) of Public Law102-484, <u>10 U.S.C.1592</u>, note).

Parent topic: <u>37.113 Severance payments to foreign nationals.</u>