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 10 U.S.C. 3744(d); 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, 10 U.S.C.1592, note).

Parent topic: 37.113 Severance payments to foreign nationals.