

MS 602: Foreign Service National (FSN) Personnel Administration

Effective Date: June 23, 2011

Responsible Office: M/PM/I

Supersedes: 01/12/85 v.2; MS 691, 12/14/83

Table of Contents

- 1.0 [Purpose](#)
- 2.0 [Authority](#)
- 3.0 [Definitions](#)
- 4.0 [Coverage](#)
- 5.0 [Policy](#)
 - 5.1 [General](#)
 - 5.2 [Interagency Coordination](#)
 - 5.2.1 [Managers Responsibility](#)
 - 5.3 [Staffing](#)
 - 5.3.1 [FSN Employees](#)
 - 5.3.2 [Third Country National Employees \(TCNS\)](#)
 - 5.3.3 [American Family Members \(AFM\)](#)
 - 5.4 [Basic Qualifications for Peace Corps FSN Employment](#)
 - 5.4.1 [Application for Employment](#)
 - 5.4.2 [Security Certification](#)
 - 5.4.3 [Medical Clearance](#)
- 6.0 [Appointments](#)
 - 6.1 [Types of Direct Hire Appointments](#)
 - 6.2 [Regional Concurrence](#)
 - 6.3 [In-country Appointment Procedures](#)
 - 6.4 [Reporting Procedures for Peace Corps/Washington](#)
 - 6.4.1 [Reporting for Conditional Appointments](#)
- 7.0 [Compensation](#)
 - 7.1 [General](#)
 - 7.1.1 [Classification](#)
 - 7.1.2 [Wages and Benefits](#)
 - 7.1.3 [Severance](#)
 - 7.2 [Disability Compensation](#)
 - 7.2.1 [Amount of Compensation](#)

- 7.2.2 Emergency Medical Expenses
 - 7.2.2.1 Funding of Emergency Medical Expenses
 - 7.2.3 Reporting Procedures
 - 8.0 Performance Evaluation
 - 8.1 General
 - 9.0 Awards
 - 9.1 Length of Service Awards
 - 9.1.2 Awards for 10, 20, 30, and 40 Years of Service
 - 9.2 Incentive Awards
 - 9.2.1 Cash Awards
 - 9.2.2 Amount of Cash Award for Sustained Outstanding job Performance
 - 9.2.3 Amount of Cash Award for Suggestions Resulting in Improved Operations
 - 10.0 Separation
 - 10.1 General
 - 10.2 Types of Separations
 - 10.2.1 Separations for cause
 - 11.0 Training
 - 11.1 Staff Training Cycle in Washington
 - 11.1.2 Health Insurance While in the United States for Training
 - 12.0 Detail of Host Country Nationals to Peace Corps
 - 12.1 Salary and Benefits
 - 12.2 Other Factors
 - 12.2.1 Security Clearance
 - 12.2.2 Conflict of Interest
 - 12.2.3 Vehicle Insurance
 - 12.2.4 Service to Host Country Government During Time of Detail
 - 12.3 Peace Corps/Washington Reporting Procedures
 - 12.4 Regional Approval
 - 13.0 Effective Date
-

1.0 Purpose

This Manual Section describes the personnel management policies and authorities for Peace Corps Foreign Service National (FSN) employees.

2.0 Authority

The basic authority for the appointment of Peace Corps employees, including FSN employees, is found in Section 7(a) of the Peace Corps Act (22 U.S.C. 2506 (a)).

Peace Corps personnel policy for FSN employees is set forth in the PC Manual Sections 602, 603 and 699, and in the Foreign Affairs Manual (3FAM), section 900.

3.0 Definitions

Foreign Service National(FSN) Position. An FSN position is a slot which may be filled by a Foreign Service National (FSN) employee, a Third Country National (TCN) employee or an American Family Member (AFM) employee. The number of FSN positions at Post must be coordinated with the Chief of Mission at Post. Additions or reductions in the number of FSN positions require the concurrence of the Chief of Mission at Post and the Regional Director. Notification of change is coordinated through the Office of Personnel Management/Peace Corps (M/PM/I) and the U.S. State Department.

Foreign Service National(FSN) Employee. An FSN employee is a host country national hired to fill an FSN position. The time worked by FSN employees counts against the FTE (Full Time Equivalent) numbers of the Post and the Region.

4.0 Coverage

Although Peace Corps' general personnel policy toward FSN employees in Micronesia is consistent with its policy elsewhere, the absence of U.S. embassies in Micronesia makes it necessary for Peace Corps to establish Micronesia specific FSN policies and procedures. Personnel policy and guidelines for Peace Corps Micronesia FSN staff are covered in the Peace Corps Micronesia FSN Personnel Manual.

5.0 Policy

5.1 General

Peace Corps continues to acknowledge the importance of Foreign Service National employees in the conduct of its mission overseas. Because the five year rule affecting U.S. direct hire and resident hire staff does not apply to non U.S. citizens, the employment and retention of qualified FSN staff is crucial to the continuity and stability of the program.

5.2 InterAgency Coordination

Foreign Service National employees of the Peace Corps are covered by the same rules, regulations, and guidelines as those covering FSN employees of the U.S. Department of State, AID, USIA and other United States Government agencies that employ Foreign Service

National employees abroad under the provisions of the Foreign Service Act of 1980. (See 3 FAM 900.)

5.2.1 Managers Responsibility

All Peace Corps managers are expected to take an active role in interAgency affairs affecting FSN employees. This includes, but is not limited to, participation and leadership in policy groups, compensation review and appeals panels and committees, incentive award committees, and salary survey teams.

5.3 Staffing

Staffing at an overseas Peace Corps Post has been and will continue to be a mix of American and FSN employees. Professional level programming and/or resources management jobs may be filled by either FSN employees or American employees, e.g., the lead employee for Agriculture programming may be an FSN employee in one country and an American in another. Generally, the support positions are filled by FSN employees.

5.3.1 FSN Employees

The employment of FSNs at Peace Corps Posts makes closer and more meaningful relationships possible between Peace Corps and the host country people and host country governments. Such personnel bring to their assignments, in addition to expertise, a sensitivity available only to those who are fully a part of the host culture.

5.3.2 Third Country National Employees (TCNs)

The employment of Third Country Nationals (TCNs) to fill FSN positions is discouraged because the cross-cultural exchange between the FSN staff of the host country and the Peace Corps is important to the mission of the Peace Corps in that country. Additionally, there are complications with visas, work permits, and long term benefits such as host country social security programs. (See 3 FAM 927 for details.)

5.3.3 American Family Members (AFM)

The employment of American Family Members (AFMs) to fill FSN positions is discouraged except for very short term or unusual needs. Again, cross cultural exchange between the FSN staff of the host country and the Peace Corps is important to the mission of the Peace Corps in that country. Authorization to use the AFM program must be obtained in advance from the Office of Personnel Management (M/PM/I). Personnel Management will obtain the concurrence of the Associate Directors of Management and International Operations prior to authorizing the use of an AFM employee. (See 3 FAM 122.8 for details.)

5.4 Basic Qualifications for Peace Corps FSN Employment

5.4.1 Application for Employment

Candidates must complete an "Application for Employment in the Foreign Service of the United States" (Form OF-174) and submit the form to the U.S. Embassy Personnel Office or to the Peace Corps Country Director for transmittal to the U.S. Embassy.

5.4.2 Security Certification

A Foreign Service National (FSN) hire is required to have a security and suitability investigation conducted by the Regional Security Officer (RSO) or Post Security Officer (PSO) at the servicing U.S. Embassy in accordance with 3 FAM 7222. An FSN may not be appointed until at least a temporary security certification, good for 120 days, has been issued by the RSO/PSO. The RSO/PSO may issue extensions of the initial 120-day temporary security certification.

Additionally, the RSO/PSO must conduct an update investigation every five years for the purpose of reissuing the security certification. Contact the RSO/PSO for instructions and appropriate forms. Refer to MS 691, Guidelines for Employment of Foreign Service Nationals by Direct Hire and Detail.

5.4.3 Medical Clearance

Medical clearance must be obtained prior to reporting for duty. The medical examinations are conducted by the Department of State Regional Medical Officer (RMO) at Post or the designated Department of State Medical physician, in those cases where there is no RMO. The examining physician determines whether the applicant meets the minimum physical requirements of the position.

6.0 Appointments

6.1 Types of Direct Hire Appointments

Following are the types of direct hire appointments:

- Temporary- appointment for duration of one year or less.
- Limited- appointment for duration of more than one year, but less than five years.
- Indefinite- appointment with no specific time limit, which requires that the employee participate in a host country social security plan.
- Conditional- appointment with no specific time limit, which requires the employee's participation in the U.S. Civil Service Retirement and Disability Systems (CSR). Conditional appointments are appropriate only at Posts which had the authority to offer participation in the CSR. (NOTE: U.S. Civil Service Retirement System is under revision. New enrollments are not being made at present.)

6.2 Regional Concurrence

Positions to be filled by FSN direct-hire employees must be in compliance with budget and FTE requirements approved by the Regional Director. The Country Director is the selecting official at Post. Country Directors must receive concurrence from the Regional Director unless such concurrence is waived by the Regional Director on the following:

- Proposed position assignment,
- Proposed grade and salary, and
- Proposed entry-on-duty date.

6.3 In-country Appointment Procedures

The recruitment and appointment processes are coordinated with the U.S. Embassy at Post. The Personnel Officer and/or Administrative Officer will provide assistance to the Country Director in these matters. At Peace Corps Posts where the Embassy is in another geographic location, the Country Director will have a greater direct role in recruitment and selection. However, in both cases, the personnel processing functions and records maintenance functions are the responsibility of the U.S. Embassy.

6.4 Reporting Procedures for Peace Corps/Washington

Employment of Foreign Service National Employees is reported to PC Washington by cable. (See MS 699 for detailed guidance.)

6.4.1 Reporting for Conditional Appointments

All FSN positions which are part of the U.S. Civil Service Retirement and Disability System require that the following be sent to Accounting Division (M/FM/A):

- A copy of the Notification of Personnel Action (SF-50).
- All subsequent notification of personnel action, e.g., promotion, pay adjustment, transfer, and separation.
- Form FS-415, "Annual Reconciliation of Payroll Deductions" will be provided by the appropriate Finance Center for each FSN employee participating in the CSR system.

7.0 Compensation

7.1 General

Foreign Service National employees will receive compensation and employee benefits in accordance with Section 408 of the Foreign Service Act of 1980, which requires the establishment of a compensation plan based on prevailing wage rates and local compensation practices. All agencies at each Post that hire FSNs under the provisions of the Foreign Service Act of 1980 are covered by the same compensation plan.

7.1.1 Classification

Peace Corps FSN positions are classified in accordance with the interagency guidelines as detailed in the Local Employee Classification Handbook. Within the handbook, there are Peace Corps specific classification standards, Peace Corps Program Series, #4020. More detailed information on the classification of FSN positions can be found in the 3 FAN 930 and the Peace Corps MS 603, Position Classification.

7.1.2 Wages and Benefits

Salary and benefit plans are developed for each country based upon surveys of the wages and benefits provided by other employers in the country. There are three types of survey:

- Basic - a full fledged wage and benefit survey conducted by contractors. This is done every 4-5 years or as the needs of the country dictate.
- Salary change - a more simplified procedure conducted by the Post. Generally, this should be done on an annual basis or more often if the need arises.
- Spot-check - a survey procedure used to update existing data. This may be used as frequently as needed.

The guidelines for collecting the data and constructing the plan are found in the Interagency Handbook on Foreign Service National Employee Compensation. Additional information on the timing and implementation of the surveys can be found in 3 FAN 930.

7.1.3 Severance

All FSN compensation plans should include a severance pay plan which is administered in compliance with local law. The plan should include rules covering employee eligibility, creditable service, amount of payments, notice period required, and circumstances under which severance is or is not granted.

7.2 Disability Compensation

An FSN employee who suffers illness or sustains an injury in the performance of duty may be entitled to compensation under the provisions of the Federal Employee's Compensation Act (5 U.S.C. 8101-8150) as administered by the Department of Labor's Office of Workers' Compensation Program (OWCP).

7.2.1 Amount of Compensation

As determined by OWCP, an FSN employee will be compensated in accordance with the benefit provisions of local law or custom of the country; or in accordance with special schedules promulgated by OWCP for citizens of a specified country.

7.2.2 Emergency Medical Expenses

The Country Director may make emergency payments of medical expenses which will then be reimbursed by the OWCP upon certification that the treatment for which payments were made was for injury sustained in the performance of duty and that such injury was not caused by the willful misconduct of the employee or by the employee's intention to bring about injury to self, and that intoxication was not the proximate cause of the injury.

7.2.2.1 Funding of Emergency Medical Expenses

Payment of emergency medical expenses should be charged to the Peace Corps account used for medevacs and other medical expenses of U.S. direct hire personnel overseas. Documentation required for reimbursement from OWCP consists of two copies of paid vouchers or bills which show the full name of the injured employee, date of injury, dates of treatment, character of services, amounts for each, name of doctor, hospital or vendor furnishing the services or supplies, translated into English at Post.

7.2.3 Reporting Procedures

Reporting job related illness or injury for FSN employees is the same as that outlined in MS 682, "Safety and Health Program" with three exceptions: one, when reporting salary on the claims forms, indicate the base salary plus any bonus payments not included in the base figure; two, include a current exchange rate; and three, send along a copy of local labor laws when applicable. OWCP claims are coordinated through the Office of Medical Services, Health Benefits and Analysis Division (M/MS/HB).

8.0 Performance Evaluation

8.1 General

Supervisors have a continuous responsibility to evaluate the performance of their employees and to discuss the evaluation with the employees. The evaluation process is on-going and should include discussion with the employee throughout the year. On an annual basis, the supervisor is required to prepare a written performance evaluation. The written evaluation will be done using the Performance Evaluation Report form, JF- 50. Additional information on process and procedure can be found in 3 FAM 960.

9.0 Awards

9.1 Length of Service Awards

The length of service award gives official recognition to creditable service with the U.S. Government. Service computation dates are computed and maintained by the Posts.

9.1.2 Awards for 10, 20, 30, and 40 Years of Service

Certificates to FSN employees completing the designated number of years of service will be requested from the Office of Personnel Management (M/PM) Peace Corps/Washington. Information required for completion is: name, number of years of service to be recognized, and the month and year the service was completed. Certificates will be signed by the Director and returned to Post. Where possible, the Peace Corps should participate in interAgency award ceremonies at Post.

9.2 Incentive Awards

The purpose of the Interagency Incentive Award program is to encourage FSN employees to participate actively in improving Peace Corps operations; recognize and reward employees for suggestions, superior accomplishments or other personal efforts which will reduce costs or simplify operations; and recognize and reward FSN employees for sustained outstanding work performance. (See 3 FAN 640 for additional details.)

9.2.1 Cash Awards

Nominations for awards to FSN employees should be initiated by the Country Director. The nomination should be prepared on Form DS-1577, "Nomination for Incentive Award", and submitted to the Joint Awards Committee, of which the Country Director should be a member, at Post for review and concurrence. If the committee concurs with the award or in those cases where there is no committee at Post, the nomination should be forwarded to the Office of Personnel Management (M/PM) for review and approval. The Office of Personnel Management, Peace Corps Washington, administers the Incentive Awards program for the Peace Corps. Decisions to approve or not approve the award are made by an Incentive Awards Committee consisting of the three Associate Directors or their designates, the Director of Personnel Management, a union representative, and the Incentive Awards Administrator.

9.2.2 Amount of Cash Award for Sustained Outstanding Job Performance

Recommendations for awards for sustained outstanding job performance range from 1 1/2 to 10 percent of annual salary.

9.2.3 Amount of Cash Award for Suggestions Resulting in Improved Operations

The criteria used for determining the amount are based on the level of the benefit to the Peace Corps:

- Moderate- Contribution limited in scope either as to number of employees or nature of program affected, \$25 - \$100.
- Substantial- Contribution which is an important improvement affecting minor programs or contributions involving important changes in methods or property, \$100 - \$200.
- High- Contribution affecting significant phases of the entire Peace Corps Post operations or which involve major changes in methods, \$200 - \$400.

- Exceptional- Contribution materially affecting substantial or significant phases of the Agency's overall program or of outstanding services in the public interest, \$400 - \$800.

10.0 Separation

10.1 General

Under the authority of section 612 of the Foreign Service Act of 1980, an FSN employee may be separated at any time in light of criteria and procedures normally followed in the locality in similar circumstances and in accordance with local law. A separation notice period should be established which conforms to local prevailing practice.

An FSN employee may be separated without advance notice if:

- The Country Director in consultation with the U.S. Embassy, determines that the continued employment of the employee presents a security threat to the U.S.,
- The final results of a security and suitability investigation are adverse and recommendation for separation is made by the regional security officer, or
- Where permitted by local law. (See 3 FAM 974.)

10.2 Types of Separations

Employees may be separated for: 1) cause, 2) disqualification, 3) age, 4) reduction in force, 5) abandonment of position, 6) disappearance, 7) military service, 8) disability or 9) death. General guidelines on separations are found in 3 FAM 974 and specific guidelines will be found at each Post. Local labor laws, local practices and customs will be followed to the extent feasible in the specific guidelines for each Post.

10.2.1 Separations for cause

Country Directors must consult with the Office of General Counsel, Peace Corps, when proposing a separation for cause.

11.0 Training

FSN employees are encouraged to obtain training on the job, from local schools and universities and through correspondence courses. Additionally, FSN employees are nominated for attendance at staff training cycles at Peace Corps/Washington.

11.1 Staff Training Cycle in Washington

Country Directors will select FSN employees for participation in staff training in Washington. The number of nominations per year will depend upon the availability of funds, the needs of the Peace Corps Post and the potential benefit to the nominee and to the Agency. The Peace Corps country budget is used for FSN staff training expenses.

11.1.2 Health Insurance While in the United States for Training

The Peace Corps Act, Section 10 (h) allows the Peace Corps to provide for hospitalization and medical treatment for FSN employees while in the U.S. for training. The Peace Corps Office of Personnel Management (M/PM/I) purchases a special health insurance policy for FSN employees scheduled for Washington Staff Training. The coverage is for illness or injury incurred during travel to Washington, the time in Washington and at other designated training sites, and return to Post.

12.0 Detail of Host Country Nationals to Peace Corps

Country Directors should encourage host country governments to provide personnel on assignment or detail to the Peace Corps as a form of host country contribution. If a host country government is unable to detail such personnel at its own expense, the Country Director may agree to provide partial or full reimbursement to the host government Agency without affecting FTE.

12.1 Salary and Benefits

Before agreeing to reimburse a host country government for the cost of detailing one of its employees, the Country Director should determine the salary and benefits the individual is receiving from the government and what the individual could command in the local labor market. The Peace Corps should pay no more than the individual's prior rate of compensation. Moreover, if the individual's government compensation rate significantly exceeds what the individual could command in the local market, this factor should be weighed in fixing the amount of reimbursable costs the Peace Corps will pay.

While the individual is on detail to the Peace Corps, the ministry or government Agency will remain responsible for the employee's standard benefits such as health insurance, annual leave, or retirement benefits. It is the Country Director's responsibility to ensure that the detailed employee does not unknowingly forfeit these benefits by accepting a detail with the Peace Corps.

Finally, the reimbursable costs for the detail of a host country national should be compared to the level of compensation that would be paid an FSN under direct-hire procedures. If reimbursable costs of the detail exceed the maximum level that would be paid under the U.S. local employee compensation plan, the Country Director must keep documentation of this on file demonstrating that the detail is not a device to avoid a direct hire.

12.2 Other Factors

12.2.1 Security Clearance

The Post Security Officer will conduct preemployment investigations for personnel to be detailed in accordance with 3 FAM 922.2. Detailed personnel (like direct-hire) cannot be given access to classified material. With security clearance, they may have access to Peace Corps general administratively controlled material.

12.2.2 Conflict of Interest

The Country Director must be sensitive to situations involving, or appearing to involve, conflicts of interest between a detailed individual's responsibilities toward the Peace Corps and toward the host government Agency.

12.2.3 Vehicle Insurance

If detailed host country nationals are expected to operate Peace Corps vehicles in connection with their assignments, the Country Director shall determine whether host country law requires the Peace Corps to purchase liability insurance locally. If the detailed employee is expected to operate host country government owned vehicles in connection with his or her Peace Corps assignments, the host country government's written assumption of responsibility must be secured.

12.2.4 Service to Host Country Government During Time of Detail

During periods of detail to the Peace Corps, host country personnel may not perform employee services for their government which are unrelated to their Peace Corps duties.

12.3 Peace Corps/Washington Reporting Procedures

The Country Director will forward to the Regional Director the following information for each professional host country national whose detail from the host country government is proposed:

- Proposed position assignment,
- Biographical summary,
- Proposed detail arrangements with the host country government Agency,
- Proposed costs to the Peace Corps, if any, and justification for the proposed salary if it exceeds country norms, and
- Value of host country contributions due to the detail.

12.4 Regional Approval

The Regional Director must approve or disapprove the proposed detail.

13.0 Effective Date

This Manual Section takes effect on the date of publication.