Foreign Service Limited Appointments – FY 2006

Leave, Insurance, Allowances and Federal Retirement Benefits

General Information

Separate and apart from one's salary, USAID employees have available to them a full range of benefits consistent with Government Wide standards. Benefits include paid annual and sick leave; home leave in the U.S. every two years; and depending on post of assignment transportation costs for the employee and their dependents for periodic rest and recuperation (R&R) travel; contributory government life and group health insurance coverage; medical care and hospitalization overseas; transportation to and from post; shipment of authorized weights of household goods to an assigned post; and, where permitted, shipment of a privately owned vehicle (POV) to an assigned post.

I. Leave: Leave from previous Federal Government service can be carried over in joining USAID. All employees begin to accrue annual and sick leave upon joining, as follows:

Sick Leave: Every employee accrues four hours of sick leave every two weeks totaling 104 hours annually. There is no ceiling on sick leave, so all accrued sick leave can be carried over from year to year.

Annual Leave: The amount of leave each employee receives depends on years of Federal Government service. For those with less than 3 years of service, annual leave accrues at 4 hours every pay period or 104 hours annually. For 3 years through 15 years of service, leave accrues at 6 hours per pay period or 160 hours annually, earning 10 hours in pay period 25. For 15 years and above of service, leave accrues at 8 hours per pay period or 208 hours annually. Leave may be carried over from year to year, but there is an annual leave ceiling of 240 hours leave for employees in Washington, D.C. and a ceiling of 360 hours for employees serving overseas. The Family Friendly Leave Act allows U.S. Government employees to be granted up to 12 weeks leave for special circumstances related to maternity, family illness and other family emergencies.

However, the 12 weeks is either attributed to accrued leave or leave without pay. While sick and annual leave can be taken in conjunction with pregnancy the U.S. Government does not give paid maternity leave.

II. Insurance

Health Insurance: Under the Federal Employees Health Benefits (FEHB) Program, the U.S. Government offers the widest selection of health insurance plans. It is a voluntary program open to most employees and retirees of the federal government. As a federal employee, you will be given a window of 60 days to enroll in the Program. There are two types of enrollment in each FEHB plan: self only, which provides benefits only to you; and self and family, providing benefits to you and all eligible family members. These plans can be reviewed at www.opm.gov/insure and will be introduced to new employees during the first week of orientation. Please Note: New employees do have health insurance coverage on the first day of joining USAID. Coverage will go into effect in the pay period (pay periods are two weeks) following your entrance on duty. We strongly suggest you keep your existing coverage until your government health plan becomes active.

Life Insurance: The Federal Employees' Group Life Insurance (FEGLI) program is the largest group life insurance program in the world, covering more than four million federal employees and retirees, as well as many of their families. Like the FEHB Program, the enrollment is voluntary. FEGLI provides group term life insurance. As such, it does not build up any cash value or paid-up value. You will be given a 31-day window to sign-up. However, upon your entrance on duty, you will automatically be covered under Basic coverage unless you waived. In addition to the Basic, there are three forms of Optional insurance that you can elect. You must have Basic insurance in order to elect any of the options. Unlike Basic, enrollment in Optional insurance is not automatic – you must take action to elect the options. More information on FEGLI can be reviewed at www.opm.gov/insure/life Again, we suggest you maintain any existing life insurance coverage until after you decide whether you wish to exercise your option for the federal policy for which you are eligible upon joining USAID.

The Federal Long Term Care Insurance Program (FLTCIP): The FLTCIP provides long term care insurance to help you for cost of care when help with activities you perform every day, or you have a severe cognitive impairment, such as Alzheimer's disease. These expenses are not covered by traditional medical insurance plans or disability income insurance. Most healthcare programs, including FEHB Program, TRICARE, and TRICARE for Life, cover very few long term care expenses. Upon your entrance on duty with USAID, you will be given a 60-day window to sign up. More information on this Program can be reviewed at www.LTCFEDS.com.

The Flexible Spending Account (FSA) Program for Federal Employees: The Federal Flexible Spending Account Program (FSAFEDS) allows you to pay for certain health and dependent care expenses with pre-tax dollars. You may choose to make voluntary allotment from your salary to your FSAFEDS account(s). You will not pay employment or income taxes on your allotments and your employing agency (USAID) avoids paying employment taxes.

Two FSAs are being offered to eligible employees:

(a) A Health Care FSA (HCFSA), through which you may use pre-tax allotments to pay for certain health care expenses that are not reimbursed by FEHB or any other source and not claimed on your income tax return.

(b) A Dependent Care FSA (DCFSA), through which you may use pre-tax allotments to pay for eligible dependent care expenses.

FSAFEDS has announced several enhancements to these programs. Detailed information about the programs can be found at: www.FSAFEDS.com.

The Immediate Benefit Plan: The American Foreign Service Protective Association offers the Immediate Benefit Plan to help pay costs following the death of an insured employee (not family members). It provides the enrollee's beneficiary $15,000 to assist with the immediate needs following the death of the insured. You will be given a 60-day window to sign up for this Program. Detailed information on this Program can be reviewed at www.afspa.org.

III. Allowances

New Entrants who do not reside at the post of assignment are reimbursed according to a standard USG formula for their own and their eligible family members' travel to post and for the shipment of their household effects.

At overseas posts, employees receive non-taxable government housing, as well as a non-taxable cost-of-living allowance where the cost of living is higher than in Washington, D.C. They will also receive an educational allowance to cover school fees for children at post and may also receive a "school-away-from-post" allowance for the education of their dependent children if appropriate educational facilities are not available at post. A taxable differential of 5-35% of basic salary may be paid for service at designated overseas hardship posts with difficult living conditions. Depending on assignments, employees may be eligible for danger pay, Sunday differential, separate maintenance allowance, temporary lodging allowance, and Foreign Service transfer allowance, and Difficult to Staff Incentive Differential (DSID).

Difficult to Staff Incentive Differential (DSID)

Just as for direct hire career Foreign Service employees, DSID is available for FSLs who accept three-year assignments to positions at designated Difficult to Staff posts. This differential is paid annually, in addition to other allowances and differentials that a Foreign Service employee may receive.

Difficult to Staff Incentive Differential is a financial incentive of up to an additional 15 percent of base pay for selected posts that already qualify for a post differential of 15, 20 or 25 percent. DSID is authorized by 5 USC 5925(b). Implementing regulations are found in Standardized Regulation (DSSR), Chapter 1000.

The total percentage combination of post differential and DSID may not exceed 40 percent of basic salary rate. In addition, the total percentage combination of post differential, DSID, and danger pay cannot exceed 50 percent of basic salary rate.

DSID does not become part of an employee's base pay. It is not creditable for the Thrift Savings Plan (TSP), retirement or life insurance (FEGLI) purposes. Federal tax, state tax and or local tax and FICA (OASDI and/or Medicare) will be withheld.

Additional information on DSID can be found in USAID/General Notice No. 0461, dated 04/29/2002.

IV. Federal Retirement Benefits

All non career employees participate in the Federal Employees Retirement System (FERS) and Federal Insurance Contributions Act (FICA) Social Security coverage.

The Thrift Savings Plan (TSP) is a Federal Government-sponsored retirement savings and investment plan. It offers the same type of savings and tax benefits that many private corporations offer their employees under so-called "401(k)" plans. The retirement income that you receive from your TSP account will depend on how much you have contributed to your account during your working years and the earnings on those contributions. Beginning in 2006, there are no longer any percentage limits on employee contributions to the TSP. TSP contributions will be limited only by the restrictions imposed by the Internal Revenue Code.

All employees make mandatory contributions to the FERS and Social Security. Employee's contributions to the TSP are optional.

For more information on the TSP, visit www.tsp.gov.

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Frequently Asked Questions (FAQs)

1. What benefits are transferable from previous government employment and is there a time limit of what you can transfer?

Status career civil servants are eligible to transfer all benefits from one appointment to another within 30 days of the effective date of transfer.

2. As a Washington-based FSL, will I be entitled to participate in the government sponsored Metro transportation program? If so, how does the program work and what is the dollar value?

Yes. The employee will have to document her/his metro commuting costs to receive that level of benefit. The current maximum monthly benefit is $105.00.

3. If a person has worked for another U.S. Government agency, will that count toward determining benefits under FSL?

Yes. Prior Federal service will count towards retirement and leave purposes.

4. If a person already has some government service, would the 5 years as the FSL be included in their overall time in service. For example, the person has 3 years in the Peace Corp (1990 - 1993), and then there is a gap in government service, then they are accepted for this FSL appointment (2006 - 2011), is this FSL time included in their government service?

Yes, Federal service under a FSL appointment is considered creditable service for purposes of retirement, leave accrual and leave carryover.

5. If a person has contributed to the TSP system for 2.5 years will the FSL time be counted toward this person being "vested". In other words, if it takes 3 years to be "vested," and they already have 2.5 years in TSP, would they be considered vested in 6 months under their FSL appointment?

Yes.

6. Annual and Sick Leave. If a person has been a PSC for 6 years and is earning 6 hours of annual leave and 4 hours of sick leave, and then converts to an FSL, will their leave go back to the original 4 hours of annual leave?

For annual leave, FSL appointments made prior to April 28, 2005 the answer is yes. For FSL appointments made after that date, OPM has issued regulations that permit your prior USPSC (AID-like CEDPA, RSSA, PASA, CASU, etc.) service to count for annual leave accrual. This became effective for all Federal hiring on April 28, 2005.

USAID's policy in accordance with OPM's regulations. Unfortunately, it is not retroactive for appointments made before April 28, 2005.

Annual leave accrual rates for an employee with no prior federal service will accrue 4 hours annual leave for the first three years service, 6 hours for the next 12 years service and 8 after 15 years service.

All Federal employees receive 4 hours of sick leave per pay period.

7. What happens to the accrued sick leave and annual leave when I become a FSL? Will I be compensated for lost leave?

Leave balances do not transfer. No compensation will be paid for lost sick leave. Depending on the individual's contract there may be a payout for annual leave.

8. After five-years of service, will the FSL employee be entitled to continued coverage under the Federal health plan, i.e., just like an FS employee?

Yes, the employee would be able to continue health and/or life insurance into retirement providing: (a) he/she meets the age requirement, i.e., age 62, in addition to the completion of the five years under FERS, and meet the age requirement (which would be in this case is 62, if one does not have any prior service history); and (b) enrolled in both programs upon employment which would be considered the employee's first opportunity, in particular if this is the employee's initial Federal appointment.

9. What retirement benefits will the FSL employee be entitled to with five years of service? When is one vested in the TSP? Is there a time period for vesting in the FERS? What will the retirement package look like for them?

FSL employees are vested in TSP after three years. Upon reaching five years under FERS employees are deemed vested. FERS is a three-tiered program, so employees would potentially receive three checks, i.e., OPM, Social Security Administration, and the Thrift Savings Program. Employees would be entitled to receive a refund of their retirement contributions should they leave government service early. If they remain in the system and satisfy the age/service requirements, they are entitled to receive a life time pension under FERS.

10. If an individual receives a FERS pension, are they subject to the Social Security provision that effectively reduces the Social Security benefits?

If an individual receives a FERS pension there will be no impact on his/her Social Security benefit. Both benefits are deemed separate.

11. If a FSL is vested after five years in the retirement plan and the FSL program is for five years, will employment dates be rigidly enforced?

A FSL who completes the full five-year appointment meets the five-year requirement for vesting in FERS.

12. Will health insurance offered to converting exclude pre-existing conditions? Will it include preventive care?

USG offers many plans and each plan will have its own regulations.

13. In terms of benefits for participating in FERS/TSP, I understand that one has to complete the five-year appointment to be "vested" in the FERS. But, if someone has 12 years of Federal service and is hired as an FSL, are they vested at the time of hiring or do they still have to wait until the end of the five-year appointment to be vested all over again?

Yes. All Federal civilian service counts toward vesting in TSP. Most FERS employees become vested in the Agency Automatic (1%) contributions after completing three years of Federal civilian service. Employees covered by the FSL's appointing authority will be vested after three years.

14. As a current Federal employee, if I increased my life insurance contributions under the recent FELGI open season would I be able to retain this benefit if hired under a FSL before or after then?

If you were eligible to increase your life insurance during the September 2004 open season, you will be allowed to retain your coverage upon your conversion as an FSL employee. By regulation, FEGLI open season is generally extended to Federal employees.

15. As a current Federal employee if I convert to an FSL position my accrued annual and sick leave earned would transfer and the accrual rates would be the same. Is the same true for home leave accrual?

Assuming that you are a Federal employee your understanding of sick and annual leave accruals is correct. Home leave days would also transfer and accrual would be based as a FSL, the same as a RSSA. As a FSL, when you use home leave you would be expected to return to post for a minimum of 12 months, otherwise you would be have to pay back home leave expenses.