

MS 691 Direct Hire Employment of Foreign Service National Employees (FSNs)

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1.0 Purpose

This Manual Section provides guidelines and procedures concerning the employment of Direct Hire Foreign Service National employees (FSNs) by Peace Corps overseas Posts. It is designed to supplement the local employee personnel administration policies and procedures discussed more explicitly in Chapter 910 of 3 FAM which have been adopted by the Peace Corps (see PCMS 601, "Administration of the Peace Corps Personnel System").

2.0 General Policy

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

Country Directors, therefore, shall encourage host country governments to provide personnel on assignment or detail to the Peace Corps as a form of host country contribution. Country Directors may also obtain needed services of host country personnel by direct-hire Foreign Service National (FSN) appointments to the extent allowable under their foreign national complement ceilings.

3.0 Direct Hire Employment of Host Country Nationals

3.1 Impact of Ceiling Limitations

Each direct-hire country national employee counts against the allotted employment ceiling, regardless of the duration of the appointment.

3.2 Positions

Country Directors may direct-hire host country nationals into any program or administrative support position essential to the conduct of Peace Corps business which requires service on a continuing, full-time basis.

3.3 Types of Direct-Hire Appointments

3 (FAM) 923.1 Lists and defines the possible types of FSN 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 specified time limit, which requires that the employee participate in a host country social security plan.
- Conditional-- appointment with no specified 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 have the authority to offer participation in the CSR.

3.4 Compensation

Host country nationals will receive compensation and employee benefits in accordance with Section 408 of the Foreign Service Act of 1980, which requires the provision of a compensation plan based on prevailing wage rates and local compensation practices. FSN positions are classified in accordance with provisions for position classification given in MS 603, "Position Management Program for Foreign Service Positions".

3.5 Regional Approval

Authority to hire rests with the Country Director. However, all positions to be filled by FSN direct-hire shall be reported to the Regional Director, showing compliance with budget and ceiling restrictions. The Country Director will provide the Regional Director with the following information for each foreign national whose direct-hire appointment is proposed:

- Proposed position assignment,
- Biographical summary of proposed appointee,
- Proposed compensation data, and
- Proposed entry-on-duty date, pending receipt of security and medical clearances

3.6 In-Country Appointment Procedures

In addition to using the guidelines provided by this Manual Section and 3 FAM 910, Country Directors should seek the support of the local Embassy Personnel Officer or Administrative Officer when such assistance is provided by the FAAS Agreement. If assistance is not available, the Country Director should seek guidance from the Regional Director.

3.6.1 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 5 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.

3.6.2 Medical Clearance

The Country Director should ensure that pre-employment medical examinations are conducted in accordance with 3 FAM 922.3.

3.6.3 Appointment Documents

Appointment documents which must be completed are described in 3 FAM 924 ("Appointment").

3.7 Reporting Procedures to Peace Corps/Washington

All overseas employment of Foreign Service Nationals is reported to PC/Washington as part of the quarterly 699 report as prescribed by MS 699 "Report of Foreign Service National Employees and Personal Service Contracts."

3.7.1 Reporting for Conditional Appointments

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

- A copy of the Notification of Personnel Action (DS-2032 or SF-50);
- All subsequent notifications of personnel action, e.g., promotion, pay adjustment, transfer, separation, etc.

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.

4.0 Detail of Host Country Nationals to Peace Corps

4.1 General

Detail and assignment of host government employees have no effect on employment ceilings. Country Directors should encourage the host country government to provide personnel without cost to Peace Corps whenever possible. 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 without affecting employment ceilings.

4.2 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 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's government compensation rate significantly exceeds what the individual could command in the local market, this factor might 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, retirement benefits or severance pay. It is the Country Director's responsibility to insure 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 an FSN 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.

4.3

Other Factors

4.3.1 Security Clearance

The Country Director should ask the Embassy Security Officer to conduct pre-employment 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 generated administratively controlled material (L.O.U.) pursuant to the provisions of MS 833, "Document Classification".

4.3.2 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.

4.3.3 Vehicle Insurance

If detailed foreign 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.

4.3.4 Service to Host Country Government During Time of Detail

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

4.4 Peace Corps/Washington Reporting Procedures

The Country Director will forward to the Regional Director the following information for each professional foreign 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
- Amount of host country contributions due to the detail.

5.0 Direct-hire Employment of Third Country Nationals

5.1 General

Employment of third country national (TCN) by the Peace Corps overseas is discouraged for the following reasons:

- Difficulties with local laws and regulations governing the employment of third country nationals, and
- Difficulties in transferring retirement or social security benefits to the home country.

5.2 Employment Procedures

When TCN's are considered for employment, their services should be obtained by the same procedures used to employ direct-hire FSNs.

5.3 Compensation

TCNs should receive compensation and employee benefits within the local FSN compensation plan at a rate commensurate with their background and ability and their assigned responsibility and authority as Peace Corps employees.

6.0 Outside Business Interests

Non-U.S. citizen employees of the Peace Corps overseas may engage in outside business activities with the prior approval of Country Director. In granting approval, the Country Director should consider the potential for real or apparent conflict of

interest between the individual's Peace Corps employment and his or her private business interest.

7.0 Delegation of Authority

The specific duties and responsibilities assigned to named officers in this section may be performed by persons designated to fill those offices in an "Acting" capacity.

8.0 Effective Date

This Manual Section shall take effect on the date of issue.