

# ***Employment Abroad***

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## **Employment Issues for Those Serving Abroad**

Many two-career families in the Foreign Service are vitally concerned about employment opportunities while stationed abroad. Unfortunately, employment opportunities abroad are not yet as abundant as they are in the United States. Statistics from an earlier survey from the Family Liaison Office indicate that even though 83 percent of Foreign Service family members have college degrees (29 percent have advanced degrees), the majority of positions they fill while serving abroad are clerical in nature. There is a long way to go before the employment options are as diverse as the employee pool.

### Family Members Working Abroad

According to the 1999 FLO Family Member Employment Report (FAMER), roughly 45 percent of family members stationed abroad are working. Seventy-two percent are working in the U.S. mission and 28 percent are working on the local economy.

Numerous obstacles face the family member who wishes to work while stationed abroad: lack of positions, the question of diplomatic immunity, work permit rules, low local wages, child care concerns, and the need for language skills. The Family Liaison Office is working on ways to overcome many of these obstacles. See Chapter 1, **Introduction**, for more information about FLO programs.

### **Lack of Positions**

Usually, the most desirable positions abroad are with U.S. Government agencies or with U.S. companies. Working for the Federal Government does not require a work permit; salaries are based on U.S. standards; and in most cases no need exists for foreign-language skills. However, most post positions are clerical, and, because of the current budget climate, the total number of positions is decreasing.

Currently, U.S. companies located abroad offer few positions for the job-seeking Foreign Service family member. Most employees hired by these companies are local nationals and paid in the local currency. Family

members who wish to work for a U.S. firm abroad should establish contact with headquarters in the United States. See page 100 for job-search techniques before departure for post.

### **Immunity Issues**

Foreign Service family members serving abroad must understand the scope and limitations of the “privileges and immunities” that flow from their diplomatic or consular status, and the obligations and liabilities that this status imposes upon them. The fundamental notion of immunity is to protect the employee in the performance of official duties. The immunity extends typically to the employee’s family because it is necessary for the protection of the employee. This immunity extends to non-U.S. citizen family members as well, except for those family members who are citizens of, and, in some cases, permanently resident in the host country.

Whether family members have immunity is dependent on whether the employee is accredited to an embassy (including the consular section of an embassy) or to a consulate, and what status the employee has at post. Further, the United States may waive the immunity of employees and their families.

**Family members of diplomatic agents have inviolability, full criminal immunity, comprehensive civil immunity, and testimonial immunity.** Persons with **inviolability** may not be detained or arrested. **Criminal immunity** means that a person may not be prosecuted for a criminal action. **Civil immunity** means that a person may not be sued (usually for money damages) before the civil or administrative authorities of the receiving host country. There are four exceptions to civil immunity: actions connected with real property in the receiving host country; actions where the diplomat or family member is an executor or beneficiary of an estate in the receiving host country; actions relating to professional or commercial endeavors engaged in by the diplomat or family outside the scope of official functions; and counterclaims. **Testimonial immunity** means that a person may not be called as a witness to give evidence. Family members of administrative and technical staff assigned to an embassy have full criminal immunity, testimonial immunity, and inviolability. However, they have no civil immunity.

While consular officers and employees at consulates enjoy criminal and civil immunity for acts performed in the exercise of their consular function, their **family members who do not perform consular functions enjoy no immunities and do not have inviolability.**

Many foreign states will not permit a family member with diplomatic status to work unless the diplomatic status is waived. The important thing to note is that **the right to waive immunity belongs to the U.S. Government; no one has a right to waive his/her own diplomatic immunity.** Under the Vienna Convention rules, family members who are employed on the local economy may request the post to waive their civil or administrative immunity with respect to their employment; however, criminal immunity is preserved in every case.

### **Work Permits**

Most countries require that employees obtain a work permit, and, in some cases, residency status is required. Many countries will issue a permit only if permanent residents cannot provide the necessary skills. FLO is working to increase the number of bilateral work agreements and de facto work arrangements in order to improve employment opportunities. See page 126 for information about bilateral and de facto arrangements.

### **Low Wage Scales**

In many parts of the world, local wage scales are significantly lower than in the United States. However, unless finances are a determining factor, consider other benefits before rejecting the option of working on the local economy. The advantages of working regardless of the pay include developing a work history, showing skills and accomplishments on a resume, and developing confidence by being in the work arena. There is also the possibility of making a real contribution in a developing country. Sometimes, because of labor shortages, it is possible to work at more challenging jobs abroad than you would be qualified for in the United States. Low wages might be a reason to consider a volunteer position. (See Chapter 11, **Volunteer Options**).

### **Child Care Concerns**

The availability and cost of high quality child care varies widely from post to post. The Family Liaison Office produces an annual Child Care Report which describes the current child care situation at each post. This report is available from FLO or from the CLO at post.

### **Language Requirements**

Fluency in the host country language is often a requirement to work on the local economy. Taking intensive language training either before going or while at post will be invaluable to the family member interested in working on the local economy. Foreign Service spouses who are

accompanying the employee to post may be able to take the language course at FSI on a space available basis. Contact the employee's Career Development Officer to make arrangements.

#### Useful Skills for Finding Work Abroad

The Family Liaison Office asked posts to indicate which skills would be most useful for family members to acquire if they want to work abroad. The following were the most requested skills:

- Language skills
- FSI training: consular, GSO, admin
- Computer/word processing skills
- ESL skills
- Teaching/training skills
- Technical assistance skills
- Secretarial skills
- Writing skills
- Accounting/budget/finance skills

And most important skills: PATIENCE and FLEXIBILITY!

#### **Job-Search Techniques before Departure for Post**

**Contact the Family Liaison Office (FLO).** The Employment Program Specialist in FLO is your primary point of contact. Available FLO resources include the Family Member Employment Report (FAMER), the functional training program, and the bilateral work agreements and de facto work arrangements in force. See Chapter 1, **Introduction**, for detailed information about FLO Resources.

**Research the Special Employment Programs if applicable.** A number of special programs that provide employment opportunities within the mission for Foreign Service family members serving abroad include the following:

- Eastern European/Russian Family Member Employment Program (FEP)
- Professional Associates (PA) Program
- Information Management Assistant (IMA) Program

These programs are discussed in greater detail later in this chapter. Further information can be obtained from the FLO Employment Specialist.

**Contact the Overseas Briefing Center (OBC).** The OBC Information Center (see Chapter 1, **Introduction**) Room E2126, maintains a library of information about all U.S. posts abroad, including slides, videos, and culture guides. The Center is open Monday through Friday with extended hours on selected Wednesday evenings and Saturdays. For information, call 703-302-7276.

The OBC's Returnee File contains the names of people who have recently been at your post and are willing to answer questions. When speaking with returnees, ask for suggestions of specific organizations or firms that may be looking for someone with your skills. The OBC also offers a number of courses on living abroad, career planning, community skills, protocol and representation, and teaching English as a second language. These courses are open to U.S. Government employees and family members anticipating an assignment abroad. For some courses, there is a tuition fee charged to the employee's agency if it is other than the State Department. To register, call the OBC at 703-302-7268.

**Contact the Community Liaison Office (CLO) or Administrative Officer at Post.** The post is often not aware of all new arrivals interested in employment so it is important to contact the CLO or Administrative Officer telling him/her of your expected arrival date and the type of employment you will be seeking. Enclose a resume and/or Federal application and ask for advice and/or referrals. The CLO or the Administrative Officer cannot submit applications for you, but they can keep you in mind and may advise you of any appropriate upcoming employment opportunities.

**Contact the Washington offices of the other Foreign Affairs agencies represented at the post.** Check to see what other Federal agencies are represented at your post. In addition to the Foreign Affairs agencies (State, USAID, FAS, FCS), other Federal agencies could include the following:

- Animal and Plant Health Inspection Service (APHIS) [www.aphis.usda.gov](http://www.aphis.usda.gov)
- Center for Disease Control [www.cdc.gov](http://www.cdc.gov)
- Customs [www.customs.treas.gov](http://www.customs.treas.gov)
- Department of Energy (DOE) [www.doe.gov](http://www.doe.gov)
- Drug Enforcement Administration (DEA) [www.usdoj.gov/dea/](http://www.usdoj.gov/dea/)
- Federal Bureau of Investigation (FBI) [www.fbi.gov](http://www.fbi.gov)
- Federal Aviation Administration (FAA) [www.faa.gov](http://www.faa.gov)
- Geological Survey (USGS) [www.usgs.gov](http://www.usgs.gov)
- Immigration and Naturalization Service (INS) [www.ins.usdoj.gov](http://www.ins.usdoj.gov)
- Internal Revenue Service (IRS) [www.irs.ustreas.gov](http://www.irs.ustreas.gov)

- Labor Department [www.dol.gov](http://www.dol.gov)
- Library of Congress [www.loc.gov](http://www.loc.gov)
- National Aeronautics and Space Administration (NASA) [www.nasa.gov](http://www.nasa.gov)
- Peace Corps [www.peacecorps.gov](http://www.peacecorps.gov)
- Treasury [www.ustreas.gov](http://www.ustreas.gov)

Check the agency's web site for general information.

Check also with the employee spouse's career counselor or personnel officer, or the bureau's post management officer (PMO). These officers can often give you resources or referrals in your career field. If your area of expertise is one in which USAID has programs (e.g., food and nutrition, housing or urban planning, population), the USAID Contract Management Office or the appropriate USAID program office may be able to provide a list of firms or organizations that have USAID contracts. See Chapter 8, **Portable Careers and Skills**, for information on USAID contracting.

**Check with OPM to find out about Federal employment overseas.** Contact information for OPM is discussed in Chapter 6, **Federal Government Employment**.

**Check out books and newsletters with information about employment abroad.** See Chapter 13, **Resources and Bibliography** for suggested readings.

**Use Networking Techniques to find out information about job opportunities at your new post.** (See Chapter 4, **Job-Search Techniques**) Suggested networking techniques include the following:

- **Contact your professional association.** The association may be linked to an international affiliate and/or may be able to provide names to contact at the post, or other sources of job information at your post. Inquire if there are services you could provide them from your post, e.g., information that might be useful in the organization's journal or publication. See Chapter 5, **The Washington Area Private/Non-Profit Sectors**, for information about professional associations.
- **Learn all you can about the host country.** Study the host country's culture, language, and history. Take language and area studies at FSI if available.

**Consider self-employment (freelance) opportunities.** For additional information, see Chapter 8, **Portable Careers and Skills**. Ask people who are familiar with the host country about the feasibility of self-employment and find out about pertinent legal requirements, work regulations, etc. A current hobby or interest could become a satisfying employment opportunity while stationed abroad.

**Prepare an effective Professional Credentials Portfolio.** See the discussion of the employment portfolio in Chapter 1, **Introduction**. Never put employment papers in your household effects or air freight shipment. Hand-carry them to post!

**Check out any potential conflicts of interest.** If you receive an offer of employment from a private firm or a nongovernmental agency before you go to post, contact the post management officer in the Department of State or the chief of mission at post to ask whether your working in this job would create a conflict of interest with the U.S. Government. If necessary, the Family Liaison Office can provide you with an appropriate contact in the Department of State.

#### Employment Resources for International Jobs

For complete listings, see Chapter 13, **Resources and Bibliography**.

- To identify organizations operating in foreign countries, look under the key word “International” in the Encyclopedia of Associations (available in most public libraries and in the Department of State library on CD-ROM). See also *Careers in International Affairs*; the *Directory of American Firms Operating in Foreign Countries*; the *Europa Year Book*; *National Trade and Professional Associations of the U.S.*; and the *Yearbook of International Organizations*. See other listings under International Business, Trade, and Professional Associations.
- To identify nonprofit organizations, both nongovernmental organizations (NGO’s) and private voluntary organizations (PVO’s), see the *International Resource and Agency List*, *Voluntary Foreign Aid Programs*, *Directory of Development Resources*, *U.S. Non-Profit Organizations in Development Assistance Abroad*, *Overseas Development Network (ODN) Opportunities Catalog*, *U.S. Voluntary Organizations and World Affairs*, and *Technical*

*Assistance Programs of U.S. Non-Profit Organizations.* See also listings for InterAction, CODEL, and PACT.

- Check the public library for publications that monitor international employment opportunities: International Employment Hotline, or Job Opportunities Bulletin.
- For jobs in the Middle East or North Africa, join MATCH, a free computer-based personnel search service operated by AMIDEAST, a consulting firm specializing in USAID contracts in the Middle East.

**Special  
Employment  
Programs for  
Foreign Service  
Family Members  
Assigned Abroad**

**Eastern European/Russian Family Member Employment Program (FEP)**

The Family Member Employment Program (FEP) was established in 1987 to provide maximum flexibility to Eastern European and Russian posts and to the European Bureau (EUR/EX) in identifying and meeting staffing requirements previously filled by FSNs. Under this program, U.S. citizen family members are recruited, hired, and trained for budget, personnel, consular, general services, and other positions before going to post.

Language and/or functional training for the family member is tailored to the position and the individual's background and normally lasts 6 to 10 months. Trainees are employed as administrative interns at the FP-09 level for this period. Spouses who have held previous Federal appointments may be eligible for highest previous rate (HPR). For information about highest previous rate, see Chapter 6, **Federal Government Employment**. Trainees in the FEP program earn Social Security credit and may earn annual and sick leave (depending on the length of the training).

FEP participants are guaranteed a full-time FMA appointment at post that may be extended annually for the duration of the tour. If selected for a position, the FEP participant **must** complete at least 1 year in the position. To be eligible, the family member must be a U.S. citizen by the closing date of the announcement. He/she must be the eligible family member of a direct-hire U.S. Government employee with a Top Secret security clearance who has been assigned to an Eastern European or Russian post. The family member must be a high school graduate or at least 18 years of age and available for advance training in Washington. Travel costs and per diem are not authorized.

The FLO Employment Specialist has the latest information about the FEP program.



## **Professional Associates Program**

The Professional Associates (PA) Program was established to fill staffing deficits in Consular positions caused by reduced Junior Officer (JO) intake and to increase employment opportunities for eligible family members (EFM's) of U.S. direct-hire employees. Potential positions are identified based on vacancies remaining after the bulk of the Junior Officer (JO) assignment cycle has been completed. To be considered for the program, a funded JO position must already exist at post. Final decisions on where PA positions will be authorized depend on several factors, including the post's needs, the availability of qualified EFM's, the actual number and location of vacant JO positions, and other assignment priorities.

When the available PA positions have been determined, a worldwide cable is sent out and a State Department Notice is published listing the positions, language requirements, and instructions on how to apply.

**Eligibility Requirements.** An EFM applying for a PA position must be a U.S. citizen by the closing date of the announcement, and the spouse of a direct-hire USG employee with a top secret security clearance in transit to or currently assigned to the post. Note: Applicants who are family members of consular officers must be especially alert to nepotism considerations. No State Department employee can supervise the work of a family member.

An applicant must also have the following basic eligibility requirements:

- High school graduate and at least 18 years old;
- Exceptional English language ability to analyze and apply government regulations and interface with the public. English language proficiency is critical for successful completion of the training courses;
- Language proficiency for specified language-designated positions. The FSI proficiency test will be required.
- Commitment to working at least one year in a full-time appointment. Those with a two year or longer commitment will be given priority consideration.

These basic eligibility requirements cannot be waived. **Selected PA's who are salaried during training and fail to pass or complete the training will be required to reimburse the Department of State for the cost of the training.**

Desired qualifications include the following:

- Knowledge of the organization, functions, policies, and procedures of a consular section;
- Completion of four years of college-level study (or a similar period of progressively more responsible office experience);
- Two years in an office situation (in addition to employment substituted for college) dealing with the public;

**Special Features.** Successful applicants will be assigned to the FSI basic consular course at the National Foreign Affairs Training Center (NFATC) in Arlington, Virginia. During the training period, they will receive a salary at the FP-6 level and Social Security credit. The salaried training positions are intended to help offset training related expenses. The State Department will not pay for travel costs to Washington, DC or living expenses during training.

#### The Consular Course

A description of the Consular Course can be found in Chapter 6, **Federal Government Employment**.

When a candidate has successfully completed the consular training, a full-time FMA appointment at the FP-06 level is granted when work is begun at post. Promotion to FP-05 is possible after one year of satisfactory or better performance.

**Note:** The PA program is a professional level program and all leave requests will be approved solely on the needs of the respective posts.

#### Consular Assessment Tool

Family members interested in the PA Program will be given an assessment of their reading and comprehension ability for materials related to consular regulations and procedures. The FLO Employment Program Specialist has details about this tool.

## **Job-Search Techniques after Arrival at Post**

**Contact the post's Community Liaison Office Coordinator (CLO).** Even if you have written before arrival, make sure the CLO knows of your desire for employment and has a copy of your resume and/or Federal application. At posts without a CLO, you should speak to the Administrative Officer. Pursue all suggested leads. Contact any other offices in the mission that might have employment information or contacts (e.g., the Foreign Commercial Service office).

**Seek work on the local economy.** If it is possible for you to work on the local economy and you wish to do so, prepare a general letter of introduction to send or hand deliver along with a resume to anyone interested in your skills. Alternatively, arrange for letters of introduction from friends and acquaintances who know local employers.

**Obtain U.S. Government permission to work.** If you find local employment, inform the Administrative Officer of your job offer before beginning to work and request permission to accept the position. This is to ensure that there is no conflict of interest. If the employment will violate any U.S. or host country law, or damage the interests of the United States, you will not receive permission. If your request is denied, the Ambassador or Principal Officer must certify this fact in writing to the family member and send a copy to the Family Liaison Office in Washington.

**Consider volunteering.** If you have explored every avenue for obtaining paid employment before and after you arrive at post and cannot find a position, or if you choose not to work for pay, you might explore what volunteer activities exist or can be created to pursue your interests and develop or use your skills. If income is not an issue, working as a volunteer may be more beneficial to your long-term career goals than working at an unsatisfactory paid job. For more information, see Chapter 11, **Volunteer Options**. You might also investigate studying at a local university or taking correspondence courses. For more information on this option, see Chapter 12, **Adult Education**.

## **Using the Internet in an International Job-Search**

Internet service is now available all over the world and this has profoundly changed the way that international job-searches are conducted. (See Chapter 3, **Using the Internet in a Job-Search**.) Since using the Internet may be more complicated in a location abroad, a Foreign Service spouse with experience using the Internet from abroad made the following suggestions:

- Find the Internet Service Providers for your location. For a good list of providers listed by country code, see <http://thelist.internet.com>. It is a good idea to check with the Embassy to find out which ISP is

the most reliable. If you have a choice, you should consider the same things that you would consider in selecting an ISP in the United States. (See Chapter 3.)

- Make sure that the ISP is compatible with your computer system (especially if you have a Macintosh).
- Make sure that the technical support personnel speak English.
- Be aware that local ISPs may go out of service for lengthy periods. If you plan to use the Internet for telecommuting, you must have a backup plan (an overnight delivery service such as DHL).
- Make sure you understand what the local telephone charges will be. Many countries charge by the minute (or fraction) and a couple of hours on the Internet could be very expensive.

#### Traveling with your Computer

Electric plugs vary from country to country and so do phone jacks. To use the jack in a foreign hotel, you may need to carry a junction with you. However, the phone in the room will usually have an RJ45 (standard U.S. jack) on the back. If you carry a junction with you (a junction is a little white box that marries two RJ45 line ends together), you can unplug the line from the phone (it will look like a standard phone line end) and connect it to the end of your modem line with the junction. Failing this, you might show the end of your modem line to the hotel staff and hope they can figure something out for you.

#### E-Mail Addresses

International sites will contain the symbols for the country following the affiliation symbol in the e-mail or web address. For example, **.uk** for the United Kingdom or **.bo** for Bolivia. To find out if the country you are going to has Internet and/or e-mail access, check the Internet for Dummies web site: **<http://net.dummies.net/countries>** or **<http://net.gurus.com/countries/country-alpha.html>**. These listings will tell you the country code and whether there is full Internet access, e-mail access only, or no access.

### International Job-Search Sites

The following web sites contain general job-search information:

**[www.w3.org/pub/DataSources/WWW/Servers](http://www.w3.org/pub/DataSources/WWW/Servers)** contains lists of web sites by country and an alphabetical listing by major category.

**[www.cie.uci.edu/10p/work.html](http://www.cie.uci.edu/10p/work.html)** contains information about specific work abroad.

The Family Liaison Office (FLO) maintains an updated list of international job-search sites. See Chapter 1, **Introduction**, for information on contacting FLO.

### U.S. Mission Employment Issues

#### **Citizenship**

Under ordinary circumstances, only U.S. citizens and nationals (residents of American Samoa and Swains Island) may compete for Federally-funded positions at U.S. missions abroad. For information on when a noncitizen may be hired, see Chapter 6, **Federal Government Employment**.

Family members who are not U.S. citizens may apply for a non-U.S. citizen contract position (when no security clearance is required) or for FSN positions.

#### **Nepotism**

When hiring family members at post, the Post Employment Committee must ensure that no nepotism, or appearance of nepotism, occurs. According to 3 FAM 8200, no official may exercise supervisory responsibilities with respect to another member of the same family nor can any official serve as a rating or reviewing officer on a performance evaluation of a family member. Beyond the question of supervision, the anti-nepotism rules prohibit employment of a family member when a direct or indirect financial interest of a family member (e.g., income) would conflict or appear to conflict with the government employee's duties and responsibilities (e.g., hiring, awarding contracts, influencing continuing employment, or administering a contract). Also, no employee may influence the hiring of a family member.

If the post can clearly demonstrate that there is no clear alternative and that plans have been made to insulate the employee in a chain of supervision that excludes the prospective employee's family member, authority to hire may be granted. For example, if the Administrative Officer's spouse were to be hired in a GSO slot, the GSO's supervisor could be the Political Officer and the DCM could be the reviewing officer.

If the post wishes to hire a family member of the Chief of Mission (COM), the Deputy Chief of Mission (DCM), the Principal Officer (PO), or Deputy Principal Officer (DPO), approval must be requested from the Director General (M/DGHR) prior to employment. Guidelines have been set up based on the anti-nepotism regulations described above. Generally, the post request should focus on the following:

- (1) the nature of the proposed job and the supervisory relationship to the officer involved; and
- (2) what safeguards are being taken to ensure that there is no influence or appearance of influence on the part of the senior post official. If there is no conflict, generally the request is approved.

#### Important Note

Any Ambassador, Chief of Mission, Deputy Chief of Mission, Principal Officer, or Deputy Principal Officer, because of the special responsibility and authority of their positions, must obtain the Director General's approval for employment of a family member under the post's dependent-hire program, 3 FAM 1300, App A.

### Security Clearances

Each post reviews the duties and nature of their positions to determine whether a security clearance is needed. Positions are classified either as sensitive or nonsensitive. All applicants for sensitive positions must be granted a security clearance before appointment. Family members who are not citizens of the United States cannot receive security clearances.

- **Sensitive** positions involve access to classified information or facilities. Included in this category are secretaries to principal officers, CLO Coordinators, positions in data processing or communications with access to classified data, and positions in offices that maintain sensitive information.

- **Nonsensitive** positions do not involve access to classified information or facilities. Some EFM's filling nonsensitive positions may be granted access to administratively controlled, Limited Official Use (LOU) material, with the approval and authorization of the post security officer.

The possession of a security clearance issued by another agency does not authorize an individual access to classified Department of State material until a security clearance has been issued by the State Department's Bureau of Diplomatic Security (DS). However, the fact that an individual holds a valid Top Secret security clearance with another agency is given full consideration by DS and may shorten the time required for security processing. In such cases, the investigation is usually limited to a review of the individual's personnel and security files at the other agency and a personal interview with a DS representative.

Although all career Foreign Service officers and employees are issued Top Secret security clearances based on full-field background investigations, no such investigations are routinely conducted on family members. Family members cannot be issued security clearances unless they are employed in sensitive positions or have been proposed for sensitive appointments.

Sponsor-based security clearances for family members are no longer permitted. However, Diplomatic Security can use **reciprocity** and **temporary clearances** to facilitate hiring.

**Reciprocity.** If a candidate had a valid secret or top secret security clearance from the State Department or another government agency and has not been off USG roles for more than two years, Diplomatic Security will confirm the date and investigative basis for the clearance and validate the clearance to post. However, if any issues become known in the interim, they must first be resolved through investigation.

**Temporary Secret and Top Secret Clearances.** Temporary clearances may be issued to any U.S. citizen who qualifies in "exceptional circumstances where official functions must be performed prior to completion of the investigative and adjudicative process." Basically, post must certify the operational need and FAX accurate and complete case papers to Diplomatic Security.

Once made, a security clearance is valid for five years. At the end of that time, the clearance will lapse if the family member is no longer working. If the family member is still working, DS will initiate an updating investigation.

DS has no authority to initiate processing for security clearances on a contingency basis for a family member who wishes to work but has not located employment.

### **Job-Sharing**

Job-sharing is an appropriate mechanism for hiring family members at U.S. missions and is an especially good idea at missions where employment opportunities are scarce. For more information about job-sharing, see Chapter 1, **Introduction**.

### **Leave Without Pay**

Leave Without Pay (LWOP) from a mission position is not an entitlement. However, FMA and PIT employees are eligible to **request** LWOP when evacuated or for other scheduled absences (e.g. home or maternity leave) when the employee has not earned sufficient annual leave. Employees and supervisors alike should carefully consider requests for LWOP to ensure that the needs of the office are not jeopardized by granting excessive LWOP in relation to the anticipated length of the employee's service. Periods on LWOP are counted toward earning of Executive Order 12721 eligibility, if the employee is outside the United States. For more information, see Chapter 6, **Federal Government Employment**.

### **Grievances**

Temporary employees at a U.S. mission may use the grievance system to seek correction of any act, omission, or condition that allegedly deprived them of a right or benefit to which they are entitled. However, some issues are nongrievable, including the following:

- Termination of appointment — If the termination was allegedly the result of discrimination, the employee can file an EEO complaint.
- Nonselection from a list of best qualified candidates.
- Management decision to cancel announcement or return list of best qualified candidates to the post employment committee with a request for additional candidates.
- Management decision to fill an FSN position with a foreign national instead of a U.S. citizen.
- Denial or revocation of a security clearance.



## Summer-Hire Programs

During the summer period, many U.S. posts need temporary staff assistance because of transfers and gaps. A summer-hire program can meet these needs while at the same time providing summer jobs for Foreign Service high school and college students. In order to be eligible for a summer-hire program, a family member must be at least 16 at the time of appointment, be a U.S. citizen, and be the family member of a direct-hire Federal Government employee.

Posts must strictly adhere to prohibitions against nepotism and conflict of interest. Because of nepotism implications, it is preferred that a student not be placed in the agency/office of his/her sponsoring parent. Eligible family members may be hired for the summer program for either full-time or part-time work under the following hiring mechanisms:

- PIT – the customary and preferred method of employing family members for summer-hire programs.
- PSC – Post must request summer-hire PSC authority from the regional bureau. Delegation of PSC authority for summer is based on authority previously granted for the same type of work being performed.

## Resigning From Mission Employment

Two important benefits should be kept in mind when resigning from a Federally-funded position abroad (FMA and PIT appointments): Executive Order 12721 eligibility and within-grade step increases (WIGI's).

- **Executive Order 12721 eligibility** requires 12 months (52 weeks) of work abroad. If you are close to the 12-month requirement, it may be wise to continue employment to reach the minimum to qualify. For purposes of computing Executive Order 12721 eligibility, regularly scheduled part-time work is counted as if it were full-time, but intermittent work is counted by the days actually worked. For more information about Executive Order 12721 eligibility, see Chapter 6, **Federal Government Employment**.
- To qualify for a **within-grade step increase (WIGI)**, the employee must actually work longer than the 52-calendar week period so that the pay records verify that he/she actually received the higher pay rate. (One day over the year is sufficient.) Then if the employee takes a subsequent U.S. Government job at the same grade, he/she may be paid at the equivalent of the higher step. Whenever possible,

FMA's and PIT's should remain in their positions long enough to advance to the next step and receive the appropriate salary increase.

### **Performance Evaluations**

Employees resigning from FMA or PIT positions should make sure that they have copies of all personnel actions (SF-50's) and evaluations. Performance evaluations and personnel actions are required documentation for Executive Order Eligibility. See the information on maintaining an employment portfolio in Chapter 1, **Introduction**.

Performance evaluations are required for all employees upon completion of 1 year of service in the same position. Employees must also be evaluated (1) when they vacate their position or (2) when their supervisor changes, unless the appointment was for less than 120 days. All employees appointed under this regulation are evaluated on Form JF-57 (Foreign Affairs Agency Performance Appraisal Report).

#### Important Note

Performance evaluations and appointment/termination affidavits are required documentation for establishing Executive Order 12721 eligibility.

### **Mission Guidelines for Hiring Family Members**

The Department of State's Director General issued guidelines to ensure equal treatment of all Foreign Service family members who apply for positions at U.S. Missions abroad. These regulations were developed to be a uniform guideline for employment of family members. Although the other Foreign Affairs agencies have cleared these regulations, some hiring differences still exist.

- All position vacancies should be widely publicized within the Mission, well before the deadline for submission of applications.
- All applications should be submitted on the Federal application so that they can be evaluated uniformly.
- Posts should establish a post employment committee as described below. If another foreign affairs agency offers a position, the committee should include a representative of that agency. Larger employment committees may be appropriate, depending on the size of the post and the number of agencies.

- All temporary positions (PIT, FMA, FSN/AmCit) should be reviewed annually. This is especially true if the position is held by a U.S. citizen resident rather than an EFM.

#### Family Member Employment

It is the policy of the Department of State to consider the employment or reemployment of family members of employees who wish to work at posts abroad. Such employment is subject to the approval of the Chief of Mission.

Posts should routinely survey families as they arrive to determine which family members desire employment and have skills that may be needed at the post. The usual provision for security clearances must be observed for all such appointments.

#### Post Employment Policy

**Note:** In this discussion, the term eligible family members (EFM) refers only to dependents of official U.S. Government employees assigned to a U.S. mission abroad. U.S. citizen residents (AmCits) refers to U.S. citizens who are resident in the host country.

Using the Department's guidelines as a model, many posts have developed specific dependent-hire policies, adapting the general guidelines to the particular post. Establishing a post employment policy is usually the result of a cooperative effort among the Community Liaison Office Coordinator, the Personnel Officer, the Administrative Officer, and, in some cases, interested family member volunteers. Such a policy should clarify selection procedures and provide all family members with a fair and standardized handling of employment opportunities.

Although care should be taken that the post's employment policy does not contradict 3 FAM regulations, there should be enough flexibility to accommodate local employment conditions. Post employment policies should be distributed missionwide, and every family member should have a copy. Some posts have developed Post Employment Handbooks that cover the post's employment policy in detail.

## **Post Employment Committee**

To ensure equity in the selection process for positions in a U.S. mission, the Foreign Affairs Manual (3 FAM 8200, App A) requires each post to establish a permanent Post Employment Committee to identify and refer the best-qualified candidates to the selecting official. Written guidelines for the committee must be developed and readily available to employees.

When a position opens, it must be widely advertised for a minimum of 10 working days. The Personnel Officer then screens the applications to eliminate those candidates who are either ineligible or do not meet the minimum qualifications for the vacancy. Only those candidates determined to be both eligible and meeting the minimum qualifications are referred to the employment committee.

The qualified candidates are evaluated by the employment committee against the job requirements shown on the vacancy announcement. Candidates are not evaluated against each other. If post policy allows the committee to select the employee, the committee may conduct interviews but must do so equitably, i.e., all candidates on the best qualified list must have the opportunity to be interviewed. Where the immediate supervisor has selection authority, the committee evaluates and ranks the qualified candidates and refers the best qualified to the supervisor for selection. If the Personnel Officer determines that only one candidate is qualified and eligible for the position, that candidate may be referred directly to the selecting official unless post guidelines require committee review.

The selecting official may select an applicant based on a review of the Federal applications without conducting interviews. If interviews are conducted, all best qualified candidates must have the opportunity to be interviewed.

The 3 FAM requires that the Community Liaison Office Coordinator be selected by a Post Employment Committee that includes community members. The committee's selection is then sent to the Chief of Mission for approval. Only EFMs are eligible for this position. AmCits cannot be CLOs.

Eligible family members (EFM's) on the best qualified list will be given preference over U.S. citizen residents (AmCits), i.e., if an EFM is on the list of best qualified candidates, a U.S. citizen resident may not be selected.

The post must maintain official records of each step of the employment process: a copy of the recruitment announcement, the job requirements, names of the committee members, the name of the final selecting official

and the selectee, and the basis for selection. These records may be destroyed one year after the selected employee leaves post.

## **Mission Hiring Mechanisms**

The hiring mechanisms most often used by U.S. missions are Family Member Appointments (FMA), Part-time, Intermittent, Temporary appointments (PIT), FSN/AmCit positions, personal services contracts (PSC), and limited noncareer appointments (LNA).

### **Family Member Appointment**

In 1998, the Family Liaison Office and the State Department's Office of Overseas Employment implemented a new Family Member Appointment (FMA). This appointment allows family members working abroad to earn employee benefits such as retirement, thrift savings plan, and life insurance. When this new FMA hiring mechanism began, the American Family Member Associates (AFMA) program was closed.

The FMA is a specific type of limited non-career appointment for employing eligible family members (EFM's) at Foreign Service posts abroad, using current statutory authority under the Foreign Service Act. For the purposes of this appointment, an EFM is defined as a U.S. citizen spouse or an unmarried child between 18 and 21 years old who is on orders accompanying a career Foreign or Civil Service employee or military service member at a Foreign Service post abroad or at a designated safe haven abroad. Other dependent relatives on travel orders are not eligible for an FMA appointment.

The FMA has the following characteristics:

- A family member should be hired under an FMA for any permanent position over 16 hours per week.
- When an individual under the FMA leaves a job, typically to accompany a spouse to a new post, he/she will be placed in non-work status, officially called "intermittent/no-work schedule" (INWS), in a Washington-based "FMA overcomplement."
- Family members under FMA will compete on an equal basis with all other "best-qualified" family members for State positions at posts abroad. If selected for their next appointed position, a family member under FMA will receive a new five-year "limited non-career" appointment.
- EFMs with security clearances will retain them between jobs as long as they remain under the FMA. Updated security background investigations will be conducted every five years if the EFM is still employed.

- Family members working under FMA will not receive post allowances but will qualify for danger pay at posts designated for danger pay.
- FMA's receive Executive Order Eligibility after working for 52 weeks. (See Chapter 6, **Federal Government Employment**, for a discussion of E.O. Eligibility.)

Family members serving under Personal Services Contracts (PSCs) or other contractual arrangements are not eligible for direct conversion to the FMA and those under an FMA appointment must resign from the FMA before accepting a PSC. Individuals under an FMA who are appointed by another agency, even under a temporary appointment, will carry forward their employee benefits into the new job.

Upon being offered an FMA, the family member should consult a Personnel Officer and discuss benefits options available. Some elections made at this time have long-term consequences (e.g. FEGLI life insurance coverage). Family member appointees should have their personnel documentation with them and should carefully read the guidance and regulations relevant to the new appointment and should make sure the elections have been made correctly. Particular attention should be paid to prior U.S. government appointments, pre-1989, that conferred retirement benefits.

#### Benefits Information

The following brochures contain important information for those accepting an FMA appointment. They should be available from the personnel office at post.

- "FERS Booklet" describes FERS coverage, benefits, and costs. (RI 90-1).
- "Thrift Savings Plan — Investments, Options, and Operations" describes the TSP in some detail. (TSP BK 03).
- "TSP Open Season Pamphlets" are updated every six months prior to each open season.
- "FEGLI Handbook" describes FEGLI coverage and costs. (RI 76-21 formerly SF 2817-A.)
- "Guide to FEHB Plans for Federal Civilian Employees" (RI 70-1).

**PIT (part-time, intermittent, or temporary) appointments.** PITs can be part-time (less than 16 hours per week), intermittent (WAE when actually employed), or temporary positions. The incumbent in a PIT position earns annual leave and sick leave (intermittent work schedules do not earn leave). Like FMA's, family members holding PIT positions can earn "noncompetitive" Executive Order 12721 Eligibility. For more information on E.O. eligibility, see Chapter 6, **Federal Government Employment**.

PIT employees pay U.S. Social Security taxes but do not make retirement contributions. They are ineligible for post allowances, or health or life insurance benefits. They may be eligible for danger pay, highest previous rate (HPR), superior qualifications rate (SQR), or language requirement rates.

A PIT employee must be a U.S. citizen. If the appointment is for a sensitive position, a security investigation must be conducted. Other qualifications are based on the job to be performed. In some cases, skill tests may be required.

#### Special Note

An individual cannot have both a superior qualifications rate (SQR) and a highest previous rate (HPR). Both SQR and HPR result only in an increase in steps within the position grade, not a change in the grade.

SQR must be requested at the time of initial hiring – it cannot be granted retroactively. In those cases when a family member's only employment opportunity is a lower grade position, HPR can allow the employee to receive the same rate of pay at a higher step within the grade. For more information about HPR, see Chapter 6, **Federal Government Employment**.

### Good Idea File

Often, U.S. missions have vacancies that must be filled immediately. Under these emergency conditions only, a family member can be offered employment for a maximum of 21 consecutive calendar days while the vacancy is advertised.

At one post, the CLO maintains a roster of qualified family members that is used to fill these emergency vacancies. Any family member interested in being on this roster submits a completed Federal application, along with a covering memorandum stating that he/she would like to be considered for emergency vacancies and highlighting any skills that would be of particular interest to the Mission. Only those family members who have completed the application and are registered with the CLO will be considered for these positions.

**FSN/AmCit Positions.** All U.S. citizens (both EFMs and AmCits) are eligible to apply for PIT and Foreign Service National (FSN) positions in the Mission. FSN/AmCit positions must be advertised widely and the “area of consideration” must include both U.S. citizens and non-citizens. Post will use the existing review/selection process to make a list of the best qualified FSN candidates and a list of the best qualified U.S. citizen candidates. An EFM with the experience and related skills and abilities to successfully perform the work of the position (i.e., “best qualified”) has priority over other U.S. citizens. The selecting official will choose an applicant from the two best qualified lists.

Other factors may also impact on an applicant’s eligibility for employment.

- Security clearance. Only EFMs are eligible for security clearances. Other U.S. citizens must have a full field investigation completed before entering on duty if the position requires a security clearance.
- Dual nationality of applicant. This may be of concern to the host country, could complicate tax or legal standing, or could affect the morale of current staff.
- Conflict of interest and nepotism concerns.



When an FSN/AmCit position is occupied by an AmCit, the grade will convert to an equivalent FS grade (not the FSN salary converted to equivalent FS salary). U.S. citizens employed in these positions will receive only those benefits that accrue to all U.S. citizens under temporary appointments and are not eligible to receive compensation/benefits of the local FSN compensation plan.

**Personal Services Contracts (PSC's).** Because of the element of supervision and the nature of the work performed, PSC's establish an employer/employee relationship between the individual and employing agency.

PSC's usually carry fewer benefits than PIT positions. For example, annual leave and sick leave are negotiable under the terms of the contract. Time worked on a personal services contract does not earn Executive Order 12721 Eligibility. Security clearance and citizenship requirements are determined by a post review of the nature of the contract.

Important Note

Nonpersonal Services/Purchase Order contracts do not provide any type of protection for the employee/contractor and should never be used to hire personnel.

**Limited Noncareer Appointments (LNAs).** An LNA is a Foreign Service noncareer appointment to a vacant Foreign Service permanent position with a specific time limitation of more than 1 year and less than 5 years. The Foreign Service position is funded from the central salaries account. Employees on these appointments are eligible for those allowances and differentials for which they qualify. An LNA appointment must be terminated as soon as a career Foreign Service employee arrives at post to assume the duties of the position. LNAs do not confer career candidate status. LNAs are more commonly used to fill FCS and USAID positions. (See below.)

**Other U.S.  
Government  
Employment  
Abroad**

**U.S. Agency for International Development**

**Resident Hires.** USAID uses two types of resident-hire appointments for U.S. citizens age 18 or older who are residing at post — temporary and excepted. The temporary appointment can be no longer than 90 days, and the excepted appointment is for 12 months. Both positions can be full-time, part-time, or intermittent. However, appointments must be made to already established positions, and a security clearance is required.

USAID resident-hire appointments are usually support positions, similar to the Department of State's PIT appointments. Salaries are set by USAID Washington and are linked to the Foreign Service pay scale.

**USAID Personal Services Contracts.** USAID uses Personal Services Contracts (PSCs) for temporary or intermittent services as well as for longer term positions, including development projects. Although the work is often professional and gratifying, PSCs usually carry fewer benefits. While most contract positions are recruited locally, some are recruited in the United States. The U.S.-recruited positions have different benefits from those recruited at post. The duties and nature of the contract will determine the level of security clearance required. See Chapter 8, **Portable Careers and Skills**, for information about USAID contracting.

### **Employee Associations**

Most U.S. missions have some type of employee or recreation association. These associations offer a variety of services to their communities and hire personnel to provide those services.

Employee association personnel are often required to have a variety of skills. For example, they may need to supervise many employees, manage large amounts of money, and negotiate with association boards. To ensure that employee associations are managed professionally and efficiently, and according to Department regulations and host country laws, the Office of Commissary Affairs has set minimum qualifications for the Association Manager position. Below is a brief summary of those qualifications. For more information, contact:

The Office of Commissary and Recreation Affairs  
Room L-120, SA-1  
Department of State  
Washington DC 20522  
Telephone: 202-663-1330  
FAX: 202-663-1329  
E-mail: [crlogon@erols.com](mailto:crlogon@erols.com)

### **Global Education Program**

The State Department's Educational Information and Resources Branch promotes the international exchange of students and scholars by providing support for a network of educational advising centers located in nearly every country of the world.

These advising centers employ course directors, administrators, and English as a Second Language (ESL) teachers. For more information about teaching English in this program, see Chapter 8, **Portable Careers and Skills** or contact:

Educational Information and Resources Branch (ECA/A/S/A)  
SA-44 Room 349  
U.S. Department of State  
301 4th Street SW  
Washington, DC 20547  
Telephone: 202-619-5434  
FAX: 202-401-1433  
Web site: <http://e.usia.gov/education/advise/>  
E-mail: [advise@usia.gov](mailto:advise@usia.gov)

#### Typical Skills Required for Employee Association Positions

**Business Skills** — ability to manage accounts, financial records, and audits; order quality products at the lowest cost; and develop and implement major renovations and manage capital improvements.

**Financial Skills** — ability to accumulate relevant data, prepare realistic annual operating budget, and implement budget properly and effectively; knowledge of generally accepted accounting principles including proper accounting terms; proficiency in accrual-basis accounting; and comprehension of double-entry accounting.

**Internal Controls** — experience in maintaining controls on all activities and services, (including unannounced cash counts and spot checks of inventory); and ability to monitor services without being obtrusive.

**Human Resources Management Skills** — ability to interact with Board, individual members, and post management; manage association in a professional, friendly, fair, and productive manner; recruit, hire, train, evaluate, and fire employees; work effectively with local suppliers and local government officials.

**Computer Skills** — general familiarity with computers and disk operating systems; ability to select computer hardware and use software; utilize Department-recommended accounting software

package; and protect association equipment and data from power problems and weather situations.

**Innovation/Creativity Skills** — Ability to expand needed services and initiate programs and projects desired by the Board and the membership.

**Post Morale** — Ability to build, maintain, and improve morale; and engender active participation by the membership in community programs.

**Promotion of U.S. Goods** — Ability to promote U.S. products and exemplify the best qualities in U.S. life.

**Communications** — Ability to read, write, and speak English.

### **Department of Defense Positions Abroad**

The Department of Defense (DOD) is the largest employer of civilians abroad. Foreign Service family members can be hired in DOD positions at military installations abroad, but the dependents of military personnel receive preference. Most of these positions are “dependent-hire” appointments and are used primarily to fill local national positions originally assigned to residents of the host country but that are now available for the employment of family members of U.S. Government personnel assigned to the area.

DOD job announcements are available from the following addresses:

**Pacific Areas:**

Federal Employment  
Information Center  
Federal Bldg. room 5316  
300 Ala Moana Blvd.  
Honolulu HI 96850  
Telephone: 808-541-2784

**Atlantic Areas:**

Federal Employment  
Information Center  
Overseas Job Opportunities  
Federal Bldg. Room 1416  
1900 E Street NW  
Washington, DC 20415  
Telephone: 202-606-2700

DOD-dependent hire employees usually pay into the U.S. Social Security system, but they are not eligible for Civil Service retirement coverage, unless they transferred without a break in service from a covered position. Health and life insurance coverage, sick and annual leave benefits, and

within-grade increases are available unless the appointment is restricted to less than 1 year. Dependent-hire personnel earn eligibility under Executive Order 12721. For more information on Executive Order eligibility, see Chapter 6, **Federal Government Employment**.

### **DoDDS School Positions**

The Department of Defense Dependent Schools System (DoDDS) has a career teacher program that assigns teachers worldwide. Therefore, limited opportunities exist for locally hired teachers especially with the recent closings of a number of DoDDS schools. Foreign Service family members who are hired are often last-minute substitute teachers.

Family members can qualify for two types of appointments in the DoDDS system. School support personnel who are family members of U.S. Government personnel are usually appointed under an arrangement similar to the dependent-hire authority described above. Family members who are professional educators, and are hired abroad, are initially appointed on a nonpermanent basis for a period not to exceed the current school year. Subsequently, they may be appointed for future school years on an excepted conditional basis — the same type of permanent appointment used for educators recruited from the United States. Work under a DoDDS appointment is considered Federal service, but only employment under a nonpermanent or “dependent-hire” appointment can be used to acquire eligibility under Executive Order 12721.

Family members interested in teaching in the DoDDS system abroad should contact DoDDS as soon as their assignment is known because the recruitment program begins more than one school year in advance.

DoDDS Personnel Center  
Recruitment Unit  
4040 North Fairfax Drive  
Arlington, VA 22203-1634  
Telephone: 703-696-3068  
FAX: 703-696-2695  
E-mail: [recruitment@odedodea.edu](mailto:recruitment@odedodea.edu)  
Web site: [www.odedodea.edu](http://www.odedodea.edu)

For general information on teaching, see Chapter 8, **Portable Careers and Skills**.

Foreign Service Family Members Working on Local Economies  
in 1999\*

Schools (including U.S.; International; DoDDS; Local elementary/secondary; Local/U.S. universities)	412	40%
Local; international; military	275	27%
Freelance	266	26%
American businesses	70	7%

\*Source: 1999 Family Member Employment Report

**Working on the  
Local Economy**

Increasingly Foreign Service family members with professional skills are looking for employment opportunities on the local economy abroad. Bilateral Work Agreements and De Facto Work Arrangements are two mechanisms to assist family members to obtain employment.

Regulations on the Employment of Foreign Service Family  
Members Assigned Abroad

Family members of Foreign Service personnel may accept gainful employment in a foreign country unless such employment (1) would violate any law of such country or of the United States; or (2) could damage the interests of the United States, as certified in writing to the family member by the Chief of the U.S. Diplomatic Mission in such country. A copy of such certification will be sent to the Family Liaison Office (M/DGHR/FLO), Department of State.

Family members accepting employment abroad should bear in mind that they may not enjoy immunity from judicial process and would be subject to the payment of taxes derived from their employment.

**Bilateral Work Agreements**

Bilateral work agreements enable Foreign Service family members of U.S. Government employees assigned to official duty at an Embassy or Consulate to seek employment on the local economy. Similarly, the family

members of foreign officials assigned to the United States are permitted to seek employment on a reciprocal basis. In some cases, civil and administrative immunity is waived, but criminal immunity never is. As a bilateral is carefully thought out and negotiated, it is both stable and long-lasting.

Bilateral work agreements are established through a formal exchange of diplomatic notes between the United States and an individual country, are reported to Congress, and cannot be terminated with less than 90 days' written notice. Negotiations for a bilateral work agreement may be initiated by a foreign mission making an inquiry to the Department of State or by a U.S. Embassy abroad approaching the foreign ministry of that country. FLO has responsibility for providing guidance, negotiating and monitoring bilateral work agreements, and for coordinating the finalization of agreements with the appropriate Department of State offices.

FLO's Employment Coordinator handles requests for information on the requirements and procedures for establishing reciprocal agreements. Standard preferred language for bilateral work agreements has been formulated to provide the basic text for negotiating an agreement. If a bilateral work agreement is in force, a Foreign Service family member can apply for a work permit before receiving a job offer. The latest list of countries with which the United States has bilateral agreements can be obtained from FLO.

### **De Facto Reciprocal Work Arrangements**

De facto work arrangements are informal, reciprocal arrangements whereby a country allows Foreign Service family members to work in the host country, and the United States reciprocates by allowing the family members of foreign officials to work in the United States. Since nothing is in writing, such an arrangement is subject to unpredictable change, because of economic or political pressures, or even foreign ministry personnel changes. De facto arrangements can be established or withdrawn at any time. In the United States, these arrangements are subject to Immigration and Naturalization Service (INS) regulations (8 C.F.R. 214.2(a)(2) and 8 C.F.R. 214.2(g)), and permission for employment will not be granted for jobs that have an oversupply of U.S. workers. The procedure for processing a request for a work permit under a reciprocal arrangement is more complex and lengthy than the bilateral work agreement process. The family member must first locate employment and then submit to the host government a letter from the prospective employer giving details of the potential position. A diplomatic note from the Embassy may also be required.

## Job Search Sources

Finding a job in a foreign country is often the same (or similar) to job-hunting in the United States. For general information about job-hunting, see Chapter 4, **Job-Search Techniques**. At your post there may be job centers, career offices, or employment agencies to assist you. You may need some assistance in negotiating this employment environment (e.g., do you use a resume or a curriculum vitae? Is targeted mailing of resumes appropriate?). Use the CLO, the Foreign Commercial Office, and the advice of FSN's. Networking is probably even more important in this situation. For a discussion of networking, see Chapter 4, **Job-Search Techniques**.

Family members in London or Brussels can join the FOCUS Career Services, a nonprofit resource center created to address the needs of professional women of all nationalities. Services for members include a comprehensive service directory, a bimonthly events calendar, preferred rates on seminars and workshops, use of a reference library, participation in a job bank program, and informal networking and issue groups. Contact information for the FOCUS Centers can be found in Chapter 13, **Resources and Bibliography**.

Many Foreign Service family members use their skills, experience, or the emergence of a need they could satisfy to establish freelance opportunities including the following: aerobics instructor, caterer, clown, computer program consultant, delivery service manager, exam proctor, fund-raiser, hypnotherapist, interior designer, Lamaze instructor, multi-media specialist, party planner, photographer, security consultant, scuba instructor, venture capitalist, and violinist. For further information on portable careers and freelancing, see Chapter 8, **Portable Careers and Skills**. See Chapter 13, **Resources and Bibliography**, for lists of international organizations and businesses that have offices abroad.

### Examples of Local Economy Positions\*

Broadcaster for government broadcasting company  
Chef at a local French restaurant  
Counselor for a crisis hotline  
Customer service agent for an international airline  
Editor for an English-language newspaper  
ESL instructor for an American Language center  
Executive director of an American Chamber of Commerce  
Hair stylist for a beauty salon  
Legal consultant for a foreign bank  
Medical doctor for a private practice  
Opera singer for an opera company



Press attaché for a foreign embassy  
Project manager for a market research firm  
Relocation specialist for an American firm

Source: 1998 Family Member Employment Report

## Teaching Abroad

According to a recent FLO survey, 40 percent of Family Members working outside the U.S. Mission were involved in education, either as teachers, administrators, counselors or librarians. At most posts teachers do not need work permits, and family members have found opportunities in American/international schools, local universities, and U.S. university extension programs. In some countries, Fulbright teaching grants are available to qualified holders of Masters or Ph.D. degrees. Teaching can also be an excellent freelance career: family members have worked as tutors, substitute teachers, school administrators, board members, PTA presidents, librarians, coaches, and education counselors.

To teach in an accredited international school, you must have, at least, a B.A./B.S. degree and valid teaching certification from a state education authority in at least one subject area. For information on the FAST-TRAIN program, which can train Foreign Service family members to teach in schools abroad, see Chapter 8, **Portable Careers and Skills**.

Teaching English as a second language (ESL) is a favorite way to use teaching skills while stationed abroad. A Fulbright Grant is also available to those with recent master's degrees in ESL. Family members interested in this option can take a course offered by the Overseas Briefing Center on Teaching English as a Second Language. For more information about teaching ESL, see Chapter 8, **Portable Careers and Skills**.

Chapter 13, **Resources and Bibliography**, contains a list of organizations and information for Foreign Service family members considering teaching careers while stationed abroad. In addition to contacting these organizations, you may wish to contact directly the schools located in the city or country to which you have been assigned.

In addition to regular teaching positions at schools abroad, Foreign Service family member teachers should consider individual or group tutoring as an option. Many students enrolled in non-American schools or in small high schools that do not offer a full range of courses are tutored or attend classes outside (and sometimes inside) school hours to supplement their school programs. The post's education allowance can be increased by a supplementary instruction allowance to pay for these

programs. The supplementary instruction allowance can also be used to set up Advanced Placement courses. Families may pool their allowances to pay a tutor to teach a course.

#### International Education Web Sites

**[www.state.gov/www/about\\_state/schools](http://www.state.gov/www/about_state/schools)**

The Office of Overseas Schools (A/OS) discusses teaching opportunities abroad

**[www.linguistic-funland.com](http://www.linguistic-funland.com)**

A private web site with a list of job opportunities and information

**[www.iss.edu](http://www.iss.edu)**

International Schools Services web site.

#### **Tutoring Special Education**

Families with learning-disabled children, stationed at posts where the schools do not offer programs to meet the needs of their children, often require the services of a teacher/tutor to carry out more comprehensive programs. Special educational allowances are available to pay these tutors.

#### Supplementary Instruction Regulations

When supplementary instruction is required because the “school at post” (1) does not provide instruction in academic subjects generally offered by public schools in the United States, such as United States history, civics, computers, American literature, English grammar, or Advanced Placement Courses; or (2) offers its curriculum in a foreign language that the child does not know well enough for progress in the curriculum; or (3) requires additional instruction to enable the child to enter a grade or remain in the same grade in the school, the “school at post” grant may, in individual cases deemed necessary by the authorizing officer, be increased for the reasons specified in (1), (2), or (3) above, provided such instruction is given by other than the employee or a family member (Standardized Regulations 276.9).

Family members anticipating an assignment abroad may want to consider acquiring the necessary training to teach/tutor children with learning

disabilities. The LAB School of Washington offers a training program for learning disabled (LD) tutoring. Contact the LAB School for information.

The LAB School of Washington  
4759 Reservoir Road NW  
Washington, DC 20007  
Telephone: 202-965-6600  
FAX: 202-965-5100

**Tax Implications  
for Family  
Members Working  
Abroad**

Family members who work while accompanying a U.S. Government employee at a U.S. mission abroad should be aware of the U.S. tax implications of their employment. Dianne Jacobini, wife of a retired Foreign Service officer and an Illinois CPA, prepared the following information.

In general, most of the issues discussed below will apply equally to all family members accompanying the U.S. Government employee. However, in the case of spouses, there are additional tax complications since they will, in most cases, be filing a joint return with the Government employee. Provisions of the tax law which apply only to spouses will be identified where applicable. All accompanying family members contemplating employment must consider the following:

- Will I be considered a U.S. Government employee?
- If I am not a U.S. Government employee, how do I qualify for either the foreign-earned income exclusion and/or foreign tax credits?
- Will I be subject to U.S. Social Security or self-employment taxes?  
How about host country income tax and social insurance taxes?

The answers to these questions will have a major impact on the income actually realized from the employment.

**Employees of the U.S. Government**

U.S. Government employees are not eligible for the foreign-earned income exclusion discussed below. The IRS maintains that anyone employed by the U.S. Government, by any agency of the U.S. Government, or who otherwise has any substantial contact with the U.S. Government is an employee of the U.S. Government. Some USG jobs typically filled by family members (FMA's, PIT's, etc.) are fairly obvious. In other cases, the distinction is not so clear. Emphasis is placed on who controls the terms of employment (i.e., salary, leave, nature of duties, etc.). In several cases in the past, the lack of retirement plan vesting, tenure, seniority, or job portability have not been considered evidence that the position is not with the U.S. Government. In one compromise case, it was agreed that a

commissary manager employed by an employee recreation association in a European capital was a U.S. Government employee. A recent court ruling is that recreation association employees are not U.S. Government employees. In another case, the local IRS agent in Tokyo contended that the employees of a baby-sitting cooperative were U.S. Government employees, since the day-care center was on U.S. Government property. Employees of companies with USAID contracts have typically not been judged to be USG employees. In cases where the status of the employer is in doubt, the employee should seek competent tax advice, bearing in mind that the IRS generally will seek to classify the position as a U.S. Government position whenever possible.

### **Overview of Expatriate Taxation**

The Internal Revenue Code (IRC) Sec. 911 allows for the exclusion of a certain amount of foreign-earned income (called the “income threshold” and scheduled to rise by increments to \$80,000, and then to be indexed for inflation). Foreign-earned income is defined in the IRC as income that arises from services performed abroad; the method and location of payment are irrelevant. The income cannot be passive or imputed to the use of capital (e.g., pension and annuity income, interest, dividends, capital gains, or alimony). To be considered foreign-earned, the income cannot be for services performed in a prior year more than 1 year before the present year (e.g., a 1998 bonus would qualify if received in 1999, but not if received in 2000). When income is received in the following year, it is offset by any unused 911 exclusion from the previous year – it cannot be offset by the current year’s available 911 exclusion. Lastly, as mentioned above, foreign-earned income cannot be earned from U.S. Government employment.

To qualify for the foreign-earned income election, the taxpayer must maintain his/her tax home in a foreign country and meet one of two tests — the **bona-fide residency test** or the **physical presence test**. Tax home generally refers to where you work, and in most cases is not an area for concern for potential family member employment abroad.

**The Bona-Fide Residency Test.** The bona-fide residency (BFR) test requires an individual to demonstrate that he/she has moved to a foreign country (or countries), established a residency there, and maintained that residency for a period that includes an entire calendar year (January 1 through December 31). The bona-fide residency can be prorated over part-years and, once established, will apply to the entire period of uninterrupted residency abroad.

### Example of Prorated Bona-Fide Residency

If Marcia Smith moved to Ankara in June 1996 and resides there until August 1998, she could potentially qualify for the following:

- Prorated part-year exclusion of approximately 7/12 of the year for 1996
- Full year exclusion for 1997
- Prorated part-year exclusion of 8/12 of the year for 1998

Once bona-fide residency has been established, temporary visits to the United States do not interrupt the period of residency, so a long home leave in the middle would not in itself disqualify the individual. The BFR test also looks to integration in the community (membership in clubs, etc.), and living arrangements (home v. hotel, family members living with the taxpayer, etc.). A key component of the test is whether the employed individual is subject to foreign income taxes. Where the family member is not paying host country taxes, proving BFR can be difficult and is subject to challenge by the IRS. However, failure to pay local taxes should not automatically disqualify a family member who does not pay host country taxes because of one the following:

- the level of earnings is below a threshold amount;
- the host country has no income taxes;
- there is a government-to-government agreement (often the case where U.S. development or military aid is involved).

Additionally, the BFR test is limited to U.S. citizens, although U.S. residents (green card holders) can sometimes also qualify under the BFR test by invoking a nondiscrimination clause in a relevant tax treaty.

**The Physical Presence Test.** The physical presence test (PPT) requires the individual to spend at least 330 24-hour-days abroad during any 365-consecutive-day period. The 365-day period does not have to be a calendar year. The individual must re-qualify under the PPT each year but there can be part-years and even overlapping periods. A family member who arrives at post in June, for example, could qualify for 7/12 of the exclusion if he/she spends at least 330 days abroad from June until the following June. A family member who spends more than 35 days in the United States could possibly still qualify for the foreign earned income exclusion.

### Example of Using the Physical Presence Test With Home Leave

Brad Johnson spends June, July, and August of 1997 in the United States on home leave. Because he spent 330 foreign days from May 1996 to May 1997 and 330 foreign days from September 1997 to September 1998, the available 911 exclusion for 1997 would be 9/12 (5/12 from January through May and 4/12 from September through December).

The above example simplified the arithmetic – the actual qualifying periods are based on exact days and it is an all-or-nothing qualification. Individuals electing to use the physical presence test must be very careful to follow the rules exactly. The day of departure from post and the day of return are usually not 24-hour days and do not constitute qualifying days. Individuals earning more than the foreign-earned income threshold per year might also want to explore picking up extra qualifying days in the year of arrival and departure by minimizing U.S. travel days (called the “PPT slide”).

When the Section 911 exclusion is elected, credits for any foreign taxes paid or accrued and certain business expenses are tied to the excluded income by a ratio. Basically, the IRS will not allow an offset of taxes or deduction of expenses incurred to earn income which is not taxable because of the exclusion. For example, a person who made \$144,000 abroad and excluded \$72,000 can only claim one-half ( $\$72,000/\$144,000$ ) of his/her potential foreign tax credits or related deductible expenses.

Note: IRS regulations do not permit election and revocation of the earned income exclusion on a frequent basis. If a taxpayer elects the exclusion and then revokes that election in a subsequent year, he/she may not claim the exclusion again for the next 5 tax years without IRS permission.

#### **When Not To Elect the Exclusion**

In a very few cases, it might be better not to elect the exclusion. For instance, if the amount earned abroad is very small, perhaps a child care credit and foreign tax credits might be more advantageous. In the case of a business abroad incurring a loss, electing the exclusion could result in losing some or all of the tax benefit of the losses. The losses could be used to offset the income of the employed spouse when a joint return is to be filed (in the case of spouses) or the losses could offset other income or

establish the basis for a net operating loss carryback or carryforward (for non-spouse family members). (When the losses are material or recur for a number of years, tax advice should be sought, as the IRS could disallow the losses under the hobby loss rules.)

Theoretically, if an employed spouse works in a country where host country taxes exceed the **marginal** U.S. taxes on the same income, it might be better not to exclude the income in order to preserve the full foreign tax credit (FTC). The income earned by the U.S. Government employee is foreign-source (despite being ineligible for the foreign-earned income exclusion). Therefore, the spouse's FTC could be used to offset U.S. taxes on both incomes. As an example, if a spouse incurs \$7,000 in FTC on \$20,000 in income, and that \$20,000 in income only increases U.S. tax by \$5,600 (assuming a 28 percent marginal U.S. rate), then it would be better not to exclude.

However, a number of other factors enter into the equation and make it more advantageous to exclude in most cases, especially on a joint return. A number of benefits and credits, as well as certain deductions are tied to Adjusted Gross Income (AGI) and are phased out at various levels of AGI. Some of the tax benefits and deductions tied to AGI are the following:

- Roth IRAs
- Hope Credits
- Lifetime Learning Credits
- The special passive loss rules (which allow rental losses of up to \$25,000 a year to offset regular income)
- Itemized deductions and personal exemptions

The threshold amounts (where eligibility or deductibility are phased out) are specific for each potential benefit/deduction and vary widely; and unfortunately, in some cases, the excluded income is **added** back into the AGI to determine eligibility. Therefore, it is imperative that the applicable rules be checked in each case.

Taxable income for state returns usually is reduced for the foreign earned income exclusion either because the state specifically allows the exclusion or because the state uses the Federal AGI as the starting point for taxable state income. However, a few states (California and Massachusetts being two notable exceptions) specifically require that the excluded income be added back in. While there are a number of considerations when deciding whether it is advantageous to exclude or not, experience has shown that excluding the foreign-earned income is usually the better choice.

If the decision not to elect is chosen, or in the case where the family member has income greater than the exclusion amount, proper accounting for the FTC is crucial. It is also very difficult, and many nontax professionals (as well as some tax professionals) get it wrong. Therefore, anyone who will be taking foreign tax credits on a return should seek out tax advice from someone who is knowledgeable in the area.

### **Self-employment Taxes**

A family member who operates a business is considered to be self-employed. If this business is operated abroad, the family member may be able to exclude all or part of his/her income. The first consideration is whether the business is capital-material or not. In a capital-material business (e.g., an antique-export company), only a portion (generally no more than 30 percent) of the net earnings can be considered personal service income. Personal service income is subject to self-employment (Social Security) tax and is eligible for the foreign-earned income exclusion. The balance of the income is attributed to a return on the capital invested in the business.

If the business is one where capital is not material (e.g., English-tutoring), all income is eligible for the earned-income exclusion. As long as the gross earnings are below the threshold, expenses incurred will not affect the U.S. income tax due, since they will be tied to the excluded gross income and disallowed 100 percent. However, careful records still need to be maintained since the expenses will reduce the amount of net income subject to self-employment tax.

Where gross earnings in any business abroad (profitable or not) exceed the Section 911 foreign-earned income exclusion threshold, competent tax advice should be sought to ensure proper accounting for the expenses and their partial disallowance.

See IRS publication 553, "*Self-Employment Tax*" available on the IRS web site ([www.irs.ustreas.gov](http://www.irs.ustreas.gov)) or from the address at the end of this chapter.

### **Contributions to Foreign Social Security Schemes**

The U.S. Government has concluded a number of totalization agreements with foreign countries (including Austria, Belgium, Canada, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom). More agreements are currently being negotiated. These agreements determine which country has the right to collect Social Security taxes and provide for a coordination of Social Security benefits. In some cases, U.S.



citizens and residents can apply to continue making U.S. Social Security contributions in lieu of host country contributions. In other cases, U.S. citizens and residents who have contributed to foreign Social Security schemes can eventually collect partial benefits based on that participation. In the case where no totalization agreement exists, then Social Security payments to the host country will qualify as foreign taxes for foreign tax credit purposes. Further information is available on the Social Security web site ([ssa.gov/ubterbatuibak/inter\\_intro.html](http://ssa.gov/ubterbatuibak/inter_intro.html)) or by writing to the following address:

Social Security Administration  
International Policy Staff  
Room 1104, West High Rise  
6401 Security Boulevard  
Baltimore, MD 21235

### **Individual Retirement Accounts**

Previously, a spouse who excluded all his/her income was not eligible for a contribution to an individual retirement account (IRA), even a spousal IRA. However, the 1997 tax changes raised the amounts that can be contributed to \$2,000 per spouse and the wording in the Code was changed. Pending the issuance of regulations, it now appears that a spouse who excludes all his/her income can still contribute up to \$2,000 (total maximum) to an IRA (deductible, nondeductible, or Roth) provided the income thresholds are not exceeded (see Chapter I, **Introduction for a discussion of IRA's**). Unmarried family members who exclude all earned income will still be ineligible to contribute to an IRA.

### **Summary**

This is necessarily only an outline of some of the tax implications of working abroad. Competent professional advice from someone experienced in taxation issues for U.S. citizens abroad should be obtained whenever substantial sums of money are involved. Working abroad in non-U.S. Government employment can confer many U.S. tax advantages. While the foreign taxes paid could, in some cases, be higher than comparable U.S. taxes, for spouses at least, usually any excess foreign taxes incurred can be a partial offset against taxes on the U.S. Government employee's salary. In the best case scenario, the money earned is tax-free.

Anyone contemplating foreign employment should consult IRS publication No. 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad. The publication is available from most U.S. Embassies and

Consulates, at the web site: [www.irs.ustreas.gov](http://www.irs.ustreas.gov), or by writing to the following address:

Internal Revenue Service  
Eastern Area Distribution Center  
P.O. Box 85074  
Richmond, VA 23261-5074