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Applicability of Other Regulations and Policies to USAID PSCs

A Mandatory Reference for ADS Chapter 309

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This mandatory reference explains how USAID's personal services contract (PSC) rules relate to other regulations or policies not directly applicable to USAID procurement.

1. The governing regulations for the contractual terms of USAID PSCs are in the [FAR](#), [AIDAR](#), and its [Appendices D and J](#), as implemented in [ADS 309](#) and related internal policies, **not** the Foreign Affairs Manual ([FAM](#)), Department of State Standardized Regulations ([DSSR](#)) or other rules external to USAID. While USAID's general PSC policy is to be consistent with the conditions of employment for the broader workforce under the FAM and DSSR, the [AIDAR](#) and [ADS](#) must explicitly reference or adopt the FAM, DSSR or other rules as applicable to USAID PSCs under the terms of their awards.
2. As USAID CCNPSCs are authorized under a different statutory authority than USAID's Foreign Service Nationals (FSNs), the provisions in [3 FAM 7000](#) – Foreign Service National Personnel and [3 FAM 8200](#) Appendix A – Methods of Employment – do **not** apply to USAID's PSCs, unless the [AIDAR](#) or [ADS](#) make a particular FAM provision applicable to PSCs.

For example, [3 FAM 7370](#) regarding promotions applies to Locally Employed Staff only and does not apply to USAID PSCs as it has not been made applicable to USAID PSCs by the [AIDAR](#) or [ADS](#).

As specified in [ADS 309.3.1.1](#), individuals under USAID PSCs may not be entitled to all benefits afforded to USAID direct-hire (USDH) employees. For example, the following benefits in the FAM are **not** under the control of USAID, and are administered by the Department of State who determines their applicability overseas:

- a) Employee association and commissary privileges. In accordance with [AIDAR Appendix D, § 12, DCC 13](#), U.S. citizen personal services contractors are eligible for employee association and commissary privileges as provided in [6 FAM 500 – Employee Associations](#).
- b) Pouch service. In accordance with [AIDAR Appendix D, § 12, DCC 20](#), U.S. citizen PSCs are eligible for pouch service on the same basis as direct-hire USAID employees as provided in [14 FAM 700 – Diplomatic Pouch Mail](#).
- c) Health Unit privileges. In accordance with [AIDAR Appendix D, § 12, DCC 3](#), U.S. citizen PSCs are eligible for Health Unit privileges on the same basis as direct-hire USAID employees as provided in [16 FAM – Medical](#).

Other PSC benefits and rules controlled by other agencies are as follows:

- a) APO privileges. In accordance with [AIDAR Appendix D, § 12, DCC 20](#),

U.S. citizen personal services contractors are eligible to use the military postal services on the same basis as USAID direct-hire employees as provided in the regulations of the Military Postal Service Agency of the Department of Defense.

- b) Federal Workers' Compensation ("FECA"). In accordance with [AIDAR Appendix D, § 12, DCC 9, and Appendix J, § 12, JCC 8](#), personal services contractors (regardless of citizenship) are **subject to the same rules as Government** employees for purposes of the Federal Employees Compensation Act, which is administered by the Division of Federal Employees' Compensation of the Department of Labor.
 - c) Unemployment Compensation. Under a ruling of the Department of Labor (Unemployment Insurance Program Letter No. 41-99, August 3, 1999) personal services contractors are **not** eligible for the Unemployment Compensation for Federal Employees program ("UCFE").
3. Additional FAM references **that may also apply to USAID PSCs include the following:**
- a) [2 FAM 222, EMPLOYEES OF DIPLOMATIC MISSIONS](#)
 - b) [2 FAM 232.1-4, NATIONALS OR PERMANENT RESIDENTS OF UNITED STATES](#)
 - c) [16 FAM 121, MEDICAL PROGRAM, APPLICABILITY](#)

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