

Current Critical Gaps on the concerns the Rwanda USAID Mission is facing regarding the lack of priority given to the off-boarding process of employees.

By Keisha Effiom, USAID/Rwanda Mission Director, April 2025

As of this writing, there is still no clear, authoritative guidance regarding when or how separated employees — including Foreign Service Officers (FSOs) — will receive:

- Severance pay
- Retirement annuities
- Continuation of FEHB health insurance
- Reimbursement for relocation expenses under the **Home Service Transfer Allowance (HSTA)** - Employees who have already incurred significant costs under HSTA during mandated repatriation are left in financial limbo, with **no timeline or assurance for reimbursement**. This further compounds economic uncertainty for families who are also navigating job loss, housing transitions, and school disruptions.

Additionally, staff stationed overseas have been given just 3–6 months from the notice of the RIF to repatriate, uprooting entire families across multiple continents, with no definitive communication or solution to the above.

This **expedited and chaotic timeline is almost certain to result in violations of federal law**, missed statutory deadlines, incomplete repatriation logistics, delayed payments, and denial of earned benefits. The resulting legal exposure and reputational damage are not hypothetical — employees are experiencing this right now **and escalating**.

USAID RIF Transition and Retirement Concerns

For retirees, the online FSI retirement seminar is not processing USAID RIFs any differently and is treating our retirement as normal — not in accordance with the **Foreign Service Act, Section 609(b)(2)** — which outlines specific provisions for RIF retirement benefits. This is yet another example of undue financial hardship and institutional neglect in both communication and urgency.

Under **Section 609(b)(2) of the Foreign Service Act (22 U.S.C. § 4009(b)(2))**, Foreign Service Officers separated due to a **Reduction in Force (RIF)** are entitled to **special retirement provisions** that differ significantly from standard voluntary retirement:

- **Immediate Annuity Eligibility:** FSOs may receive an **immediate annuity**, even if they have not reached the standard age or years of service required for voluntary retirement. Those with at least **20 years of service** may qualify regardless of age, while those with **5+ years** may be eligible for a deferred or reduced annuity.
- **Involuntary Separation Classification:** These separations are recognized as **involuntary** for retirement purposes, triggering eligibility for Foreign Service versions of **Discontinued Service Retirement (DSR)** — typically reserved for civil service personnel.

- **Continued FEHB Health Coverage:** Employees qualifying under RIF provisions may retain their eligibility for federal health benefits coverage (FEHB).
- **Reduction Penalties:** If under age 50 with 20 years of service, a **2% reduction per year under age 55** may apply, but the individual still qualifies for an immediate annuity — a significant difference from typical deferred retirements.
- **Reemployment Considerations:** Should the individual later return to federal service, offset rules may apply, but these do not negate the **initial entitlement** to early retirement under RIF rules.

Failure to apply these distinctions — as is currently happening in both internal communications and processing workflows — constitutes a violation of federal law and a denial of legally earned retirement benefits.

USAID RIF Transition for Non-Retirees

For non-retiring employees, there is currently no clear guidance or timeline for when severance payments will be issued. Severance pay is not a discretionary benefit — it is a legal obligation under federal statute (5 U.S.C. § 5595) for employees involuntarily separated under a RIF.

Severance Pay

(5 U.S.C. § 5595; 22 CFR § 16)

Employees involuntarily separated under RIF are entitled to severance, and it must be processed and paid promptly.

Delays and Failure to processing— particularly due to HR understaffing and planning lapses — may result in:

- Claims under the **Back Pay Act (5 U.S.C. § 5596)**
- **Unnecessary economic hardship on personnel**
- **Retroactive pay with interest, attorney’s fees**, and possible damages
- **Class-action lawsuits** citing systematic denial of earned benefits
- Institutional liability and reputational damage for the USG

Legal Obligations and Risk Exposure

Multiple federal statutes and regulations govern the offboarding of Foreign Service personnel. The current lack of process clarity, insufficient staffing, and unrealistic timelines are placing USAID and the Department of State at substantial legal, financial, and reputational risk. The lack of planning and surge staffing within both USAID’s Office of Human Capital and Talent Management (HCTM) and the Department of State’s Global Talent Management (GTM) division will create **bottlenecks that directly threaten compliance with federal law and affect personnel writ large**. Below are key legal mandates and the **detrimental consequences** of failing to uphold them:

1. Foreign Service Retirement Benefits (22 U.S.C. § 4046; 5 CFR § 831.109)

Timely commencement of annuities is required by law. Current HR bandwidth constraints and absence of a coherent transition plan are already delaying retiree processing.

Consequences include:

- Legal liability for **interest penalties** and **corrective payments**
 - **Judicial review under the APA (5 U.S.C. §§ 551–706)**
 - Widespread unnecessary financial hardship among separated FSOs
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2. Health Insurance Continuation (FEHB) (5 U.S.C. §§ 8905, 8906)

Federal law mandates uninterrupted health coverage for eligible employees post-separation. Without adequate staffing to manage FEHB transitions, risks include:

- **Uninsured employees and families**, even temporarily
 - Lawsuits for **constructive denial of benefits** and **unreimbursed medical costs**
 - Claims of negligence due to **preventable administrative breakdowns**
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3. Due Process in Offboarding (22 CFR Part 16)

Lack of individualized attention to cases, vague guidance, and no centralized appeals mechanism constitute procedural due process failures.

These flaws — exacerbated by poor planning and staff shortages — may trigger:

- **Foreign Service Grievance Board (FSGB)** cases on a large scale
 - **Class-action grievances** by groups of similarly affected employees
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Unanswered Operational Questions

With less than four months before mandated drawdowns are complete, multiple critical questions remain unanswered:

- Who will be the POC and oversee programmatic continuity and accountability at after July 1 at post?
 - What is the resolution mechanism for employees with unresolved benefit or annuity issues at the point of separation?
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Recommended Solutions

To protect employees, safeguard federal resources, and reduce exposure to imminent legal action, the following actions could be considered and implemented:

1. Extend the Official Separation Date Beyond September 2

Allow additional time for HR processing, benefits administration, and a dignified offboarding process. At the bare minimum, a **60–90-day extension** is critical to ensure legal compliance and to prevent irreparable harm to staff and operations.

2. Authorize Interim Payments for Severance and Retirement Annuities

Use existing OPM/GTM and FSRDS mechanisms to issue **interim payments** where processing delays are unavoidable. This ensures financial stability for separated staff while protecting the agency from back pay claims and interest penalties.

3. Deploy Emergency Surge Staffing to USAID HCTM and State GTM

Immediately augment both HR teams with surge staff or contractors trained in Foreign Service benefits, retirement processing, and federal separation requirements. Delays are not simply administrative — they are legally consequential.

4. Appoint Programmatic Points of Contact and Issue Transition Protocols

By **no later than July 1**, State Department must identify responsible officers for programmatic oversight during the transition and publish a formal, department-wide **transition and accountability framework** for missions and receiving bureaus.

The urgency of this matter cannot be overstated. The current offboarding process is not only unrealistic — it is **legally perilous and ethically indefensible**. Staff are being required to dismantle their lives on accelerated timelines without the most basic assurances regarding severance, retirement, health coverage, relocation reimbursements, or programmatic continuity. These are not administrative oversights — they are profound failures of duty and care.

What is unfolding now is not merely a logistical failure. It is a breach of the fundamental values that should guide a public institution. **People are ready to move on — to grieve, regroup, and rebuild their lives** — but the critical supports that would allow them to do so with dignity are not being prioritized. Instead, **public servants who have dedicated their careers, and in many cases their families' lives, to the mission of U.S. foreign assistance are being treated with neglect, confusion, and disrespect.**

These are not favors — they are obligations. And failing to meet them not only increases the risk of litigation and oversight but also threatens the very integrity of U.S. development and diplomacy.