

NOTE 9: Other Liabilities (continued)

Liabilities Not Covered by Budgetary Resources

The Department's liabilities are classified as covered by budgetary resources or not covered by budgetary resources. Liabilities not covered by budgetary resources result from the receipt of goods and services, or occurrence of eligible events in the current or prior periods, for which revenue or other funds to pay the liabilities have not been made available through appropriations or current earnings of the Department. The liabilities in this category at September 30, 2017 and 2016 are summarized in the Schedule of Liabilities Not Covered by Budgetary Resources (*dollars in millions*).

Liabilities Not Covered by Budgetary Resources	2017	2016
Intragovernmental Liabilities		
Unfunded FECA Liability	\$ 22	\$ 22
Custodial Liability	10	10
Total Intragovernmental Liabilities	32	32
International Organizations Liability	1,344	1,133
After-Employment Benefit Liability:		
Foreign Service Retirement Actuarial Liability	1,129	920
Foreign Service Nationals (FSN):		
Defined Contributions Fund	200	178
Defined Benefit Plans	61	68
Lump Sum Retirement and Voluntary Severance	348	326
Total After-Employment Benefit Liability	1,738	1,492
Accrued Annual Leave	394	386
Environmental Liability	100	97
Capital Lease Liability	94	99
Contingent Liability	5	9
Other Liabilities	398	463
Total Liabilities Not Covered by Budgetary Resources	4,105	3,711
Total Liabilities Covered by Budgetary Resources	22,676	22,019
Total Liabilities	\$ 26,781	\$ 25,730

10 AFTER-EMPLOYMENT BENEFIT LIABILITY

The Department of State provides after-employment benefits to both Foreign Service Officers (FSOs) and Foreign Service Nationals (FSNs). FSOs participate in the Foreign Service Retirement and Disability pension plans. FSN employees participate in a variety of plans established by the Department in each country based upon prevailing compensation practices in the host country. The table below summarizes the liability associated with these plans (*dollars in millions*).

For the Year Ended September 30,	2017	2016
Foreign Service Officer		
Foreign Service Retirement and Disability Fund	\$ 19,994	\$ 19,480
Foreign Service Nationals		
Defined Contributions Fund	200	178
Defined Benefit Plans	61	68
Lump Sum Retirement and Voluntary Severance	348	326
Total FSN	609	572
Total After-Employment Benefit Liability	\$ 20,603	\$ 20,052

Details for these plans are presented as follows.

Foreign Service Retirement and Disability Fund

The FSRDF finances the operations of the FSRDS and the FSPS. The FSRDS and the FSPS are defined-benefit, single-employer plans. FSRDS was originally established in 1924; FSPS in 1986. The FSRDS is a single-benefit retirement plan. Retirees receive a monthly annuity from FSRDS for the rest of their lives. FSPS provides benefits from three sources: a basic benefit (annuity) from FSPS, Social Security, and the Thrift Savings Plan.

The Department's financial statements present the Pension Actuarial Liability of the Foreign Service Retirement and Disability Program (the "Plan") as the actuarial present value of projected plan benefits, as required by the SFFAS No. 33, *Pensions, Other Retirement Benefits, and other Post Employment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates*. The Pension Actuarial Liability represents the future periodic payments provided for current employee and retired