For the Year Ended September 30,	2017	2016
Actuarial Assumptions:		
Rate of Return on Investments	3.59%	3.79%
Rate of Inflation	1.59%	1.71%
Salary Increase	1.84%	1.96%

Net Assets Available for Benefits at September 30, 2017 and 2016, consist of the following *(dollars in millions).*

At September 30,	2017	2016
Fund Balance with Treasury	$ —	$ —
Accounts and Interest Receivable	151	292
Investments in U.S. Government Securities	18,792	18,346
Total Assets	18,943	18,638
Less: Liabilities Other Than Actuarial	78	78
Net Assets Available for Benefits	$ 18,865	$ 18,560

Foreign Service Nationals' After-Employment Benefit Liabilities

The Department of State operates overseas in over 180 countries and employs a significant number of local nationals, currently over 51,000, known as Foreign Service Nationals (FSNs).

FSNs do not qualify for any Federal civilian benefits (and therefore cannot participate) in any of the Federal civilian pension systems (e.g., Civil Service Retirement System (CSRS), FSRDS, Thrift Savings Plan (TSP), etc.). By statute, the Department is required to establish compensation plans for FSNs in its employ in foreign countries. The plans are based upon prevailing wage and compensation practices in the locality of employment, unless the Department makes a public interest determination to do otherwise. In general, the Department follows host country (i.e., local) practices and conventions in compensating FSNs. The end result of this is that compensation for FSNs is often not in accord with what would otherwise be offered or required by statute and regulations for Federal civilian employees.

In each country, FSN after-employment benefits are included in the Post's Local Compensation Plan. Depending on the local practice, the Department offers defined benefit plans, defined contribution plans, and retirement and voluntary severance lump sum payment plans. These plans are typically in addition to or in lieu of participating in the host country's LSSS. These benefits form an important part of the Department's total compensation and benefits program that is designed to attract and retain highly skilled and talented FSN employees.

FSN Defined Contributions Fund (FSN DCF)

The Department's FSN Defined Contributions Fund provides after-employment benefits for FSN employees in countries where the Department has made a public interest determination to discontinue participation in the LSSS. Title 22, Foreign Relations and Intercourse, Section 3968, Local Compensation Plans, provides the authority to the Department to establish such benefits and identifies as part of a total compensation plan for these employees. The Department contributes 12 percent of each participant's base salary to the Fund. Participants are not allowed to make contributions to the Fund. The amount of after-employment benefit received by the employee is determined by the amount of the contributions made by the Department along with investment returns and administrative fees. The Department's obligation is determined by the contributions for the period, and no actuarial assumptions are required to measure the obligation or the expense. The FSN DCF is administered by a third party who invests contributions in U.S. Treasury securities on behalf of the Department. Payroll contributions are sent to the third party administrator, while separation benefits are processed by the Department upon receipt of funds from the third party. As of September 30, 2017, approximately 13,000 FSNs in 29 countries participate in the FSN DCF.

The Department records expense for contributions to the FSN DCF when the employee renders service to the Department, coinciding with the cash contributions to the FSN DCF. Total contributions by the Department in 2017 and 2016 were $27.8 million and $26.5 million, respectively. Total liability reported for the FSN DCF is $190 million and $175 million as of September 30, 2017 and 2016, respectively.

The Voluntary Contribution Plan administered by the FSN Defined Contributions Fund reported employee and