

**§ 1653.25**

**5 CFR Ch. VI (1-1-03 Edition)**

(i) As soon as practicable after receipt of a complete copy of an order vacating or superseding such order (unless the order vacating or superseding the preliminary order itself warrants placing a freeze on the account); or

(ii) Upon payment pursuant to the order to pay over the account, if the Board determines that the order is qualifying; or

(iii) As soon as practicable after the Board issues a decision letter informing the parties that the order to pay over the account is not qualifying legal process requiring payment from the participant's account; or

(3) If the account was frozen upon receipt of a document that purports to be legal process requiring payment from the participant's account, the account will be unfrozen upon the occurrence of any one of the following events:

(i) Upon payment pursuant to the document, if the Board determines that the document is qualifying legal process requiring payment from the participant's account; or

(ii) As soon as practicable after the Board issues its decision letter informing the parties that the document is not qualifying legal process requiring payment from the participant's account.

**§ 1653.25 Payment pursuant to qualifying legal process.**

(a) Payment will be made pursuant to qualifying legal process after the Board's decision has been issued and the 30-day tax withholding notification period has ended. The taxpayer may receive the payment sooner by waiving the tax notification period.

(b) A payment made pursuant to qualifying legal process will be made only to the persons or entities specified in the process. If payment is to be made to the spouse or former spouse of the participant, he or she may request that the TSP transfer all or a portion of his or her payment to an Individual Retirement Arrangement (IRA) or other eligible retirement plan. Such a request must be made by filing Form TSP-13-S, "Spouse Election to Transfer to IRA or Other Eligible Retirement Plan", which must be received before payment.

(c) In no case may a payment made pursuant to qualifying legal process exceed the participant's vested account balance, excluding any outstanding loan amount as of the end of the month preceding the date of payment. If the amount to be paid exceeds the participant's vested account balance (excluding any outstanding loan amount), then only the vested amount in the account (excluding the outstanding loan balance) will be paid.

(d) The entire amount to be paid pursuant to qualifying legal process must be disbursed at one time. A series of payments will not be made even if the process provides for such a method of payment. A payment made pursuant to qualifying legal process extinguishes all further rights to any payment under that legal process even if the entire amount specified could not be paid. Any further payment must be made pursuant to separate legal process.

(e) Multiple legal processes pending before the Board will be honored as follows:

(1) As between conflicting legal processes relating to the same spouse, same former spouse, or same children of the participant, the Board will pay only the legal process bearing the latest date of issuance.

(2) As between conflicting legal processes relating to two or more former spouses or to different children of the participant, the Board will pay the legal processes in the order of their dates of issuance starting with the legal process bearing the earliest date and continuing until the account is exhausted.

(f) Payment cannot be made jointly to more than one person. If payment is to be made to more than one person, the legal process must separately indicate the amount to be paid to each.

(g) In order to make payment pursuant to a qualifying legal process, the TSP recordkeeper must be provided with the full name and mailing address of the payee, even if the payment is being mailed to another address. In addition, if the payee is a spouse or former spouse of the participant, the payee must provide his or her Social Security number.

(h) If the payee dies before a payment is made pursuant to a qualifying legal

process, payment will be made to the estate of the payee, unless otherwise specified by the legal process. If the participant dies before payment is made pursuant to qualifying legal process, the process will be honored as long as it is received by the TSP before payment of the account, regardless of whether the order was received before the participant's death.

(i) A payment made pursuant to qualifying legal process in accordance with this subpart bars recovery by any other person or entity pursuant to that qualifying legal process.

(j) Payments made pursuant to qualifying legal process will be paid *pro rata* from the TSP investment funds in which the participant is invested, on the date as of which the payment is made. The TSP will not honor provisions of legal process that require payment to be made from specific investment funds.

(k) Unless the qualifying legal process specifically provides, interest or earnings will not be paid on the amount paid to a party or parties pursuant to the qualifying legal process.

[60 FR 45624, Aug. 31, 1995, as amended at 61 FR 18912, Apr. 29, 1996]

## PART 1655—LOAN PROGRAM

- Sec.
- 1655.1 Definitions.
  - 1655.2 Eligibility for loans.
  - 1655.3 Information concerning the cost of the loan.
  - 1655.4 Number of loans.
  - 1655.5 Loan repayment period.
  - 1655.6 Amount of loan.
  - 1655.7 Interest rate.
  - 1655.8 Quarterly loan statements.
  - 1655.9 Effect of loans on individual account.
  - 1655.10 Loan application.
  - 1655.11 Loan Agreement/Promissory Note.
  - 1655.12 Loan approval.
  - 1655.13 Distributions.
  - 1655.14 Loan payments.
  - 1655.15 Incorrect payments.
  - 1655.16 Reamortization.
  - 1655.17 Prepayment.
  - 1655.18 Spousal rights.
  - 1655.19 Court orders.
  - 1655.20 Loans for the purchase of a primary residence.

AUTHORITY: 5 U.S.C. 8433(g) and 8474; 50 U.S.C. App. 526.

SOURCE: 55 FR 979, Jan. 10, 1990, unless otherwise noted.

### § 1655.1 Definitions.

*Account* or *Individual Account* means the account established for a participant in the Thrift Savings Plan under 5 U.S.C. 8439(a).

*Agency* means the entity employing a participant with an account in the Thrift Savings Plan.

*Amortization* means the reduction in a loan by periodic payments of principal and interest according to a schedule of payments.

*Board* means the Federal Retirement Thrift Investment Board.

*C Fund* means the Common Stock Index Investment Fund established under 5 U.S.C. 8438(b)(1)(C).

*CSRS* means the Civil Service Retirement System established by subchapter III of chapter 83 of title 5, United States Code or any equivalent retirement system.

*Date of Application* means the date on which the recordkeeper receives the loan application.

*Days* means calendar days except when otherwise stated.

*Employee Contributions* means any contributions made under 5 U.S.C. 8432(a), 5 U.S.C. 8351(a), 5 U.S.C. 8440a or the second 5 U.S.C. 8440a.

*FERS* means the Federal Employees' Retirement System established by chapter 84 of Title 5, United States Code or any equivalent retirement system.

*F Fund* means the Fixed Income Investment Fund established under 5 U.S.C. 8438(b)(1)(B).

*G Fund* means the Government Securities Investment Fund established under 5 U.S.C. 8438(b)(1)(A).

*G Fund Rate* means the interest rate computed under 5 U.S.C. 8438(f)(2).

*Interim Account Balance* means the unvalued account balance of a participant's account on the last business day of the month.

*Loan Issue Date* means the date on which the recordkeeper authorizes a check for the loan principal amount to be issued.

*Loan Process Date* means the date the loan application is processed by the recordkeeper. This is the date that is printed on the Loan Agreement/Promissory Note.