



United States
Department of
Agriculture

Office of
Finance and
Management

National
Finance
Center

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Title: 5, United States Code
Chapter: 84, Federal Employees' Retirement System, Subchapter III, Thrift Savings Plan
Bulletin: 88-3, Fiduciary Insurance
Date: February 12, 1988
To: TSP Payroll Office Representatives
TSP Personnel Office Representatives
TSP Automated Data Processing Representatives

Public Law 100-238, dated January 8, 1988, modified the original Thrift Savings Plan statute, Public Law 99-335, Federal Employees' Retirement System Act of 1986 (FERS), with respect to the financial liability of fiduciaries of the Federal Retirement Thrift Investment Board. As a result, there is no further need for agency payment to defray the fiduciary insurance cost of the Board. A memorandum to heads of Departments and Agencies regarding this issue was released by the Executive Director of the Board on February 5, 1988.

Effective immediately, agencies are no longer required to submit the 1 percent fiduciary insurance amount to the Thrift Savings Plan recordkeeper. The TSP-FIDUCIARY field of the TSP trailer record, positions 141 through 151, should be zero-filled. Block 40, Fiduciary Insurance Amount, on Form TSP-2, Certification of Transfer of Funds and Journal Voucher, should be blank.

The TSP recordkeeper will continue to accept fiduciary insurance amounts submitted on Form TSP-2 through February 29, 1988. Beginning March 1, any fiduciary insurance amounts received will be subtracted from the total amount of Form TSP-2, and agency clearing accounts will be charged based on the total payment and adjustment records amount only.

The Board is currently working with the insurance industry to assess its remaining fiduciary insurance needs. Based on this assessment, the Board will determine the procedures and requirement for legislative changes necessary for disposing of any excess insurance reserves.


CLYDE G. McSHAN, II
Director

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Expiration
Date: When superseded.