



THRIFT SAVINGS PLAN FINANCIAL HARDSHIP IN-SERVICE WITHDRAWAL REQUEST

TSP-76

Before requesting a financial hardship in-service withdrawal, **read the information and instructions in this package carefully.** You should also read the booklet *TSP In-Service Withdrawals* and the TSP tax notice "Important Tax Information About Payments From Your TSP Account." Complete information about hardship withdrawals and the tax consequences are detailed in the booklet and tax notice, which are available on the TSP Web site (www.tsp.gov), from your agency personnel or benefits office, or from the TSP.

Make a copy of the completed form for your records and mail the original to: **Thrift Savings Plan, P.O. Box 385021, Birmingham, AL 35238.** Or fax the completed form to our toll-free fax number: **1-866-817-5023.**

If you have questions, call the (toll-free) ThriftLine at 1-TSP-YOU-FRST (1-877-968-3778) or the TDD at 1-TSP-THRIFT5 (1-877-847-4385). Outside the U.S. and Canada, please call 404-233-4400 (not toll free).

The impact a financial hardship in-service withdrawal has on your retirement savings is significant. For example, you permanently deplete your retirement savings by the amount of your withdrawal plus any future earnings you could have received on that amount. The withdrawal is subject to Federal income tax and, if you are younger than age 59½ when you take the withdrawal, it may be subject to an early withdrawal penalty tax. In addition, you cannot contribute to the TSP for 6 months following your withdrawal. If you are a FERS employee, this means that you will also not receive any matching contributions during that time. Thus, if you are in pay status and are eligible for a TSP loan, you may want to consider taking a loan rather than a withdrawal.

DETERMINING FINANCIAL HARDSHIP

You have a financial hardship if you have an immediate and significant financial need that necessitates a distribution from your TSP account. To receive a hardship withdrawal, your need must arise out of **one or more** of the following situations:

- 1) On a recurring basis, **your monthly cash flow is negative.** That means that your net income is less than your ordinary monthly household expenses. (This situation does not apply if you are in Chapter 13 bankruptcy.) OR
- 2) You have incurred (or will incur within the next 6 months) one of the following extraordinary expenses, which you have not paid and for which you will not be reimbursed, for example, by insurance.
 - **Medical expenses** payable by you, your spouse, or your dependents which would be deductible by you for Federal income tax purposes without regard to any income limitation on deductibility. These expenses include, but are not limited to, expenses for physician visits, prescription drugs, hospitalization, and eyeglasses. Medical expenses also include the cost of structural changes to your home required for medical care, or the installation of special equipment necessary to accommodate an incapacitated person (for example, a wheelchair ramp or a chair lift). Medical expenses do **not** include health insurance premiums.
 - The cost of making repairs to or for replacement of property due to a **personal casualty loss** that would be deductible by you for Federal income tax purposes, but without regard to any income limitation on deductibility or the fair market value of the property or the number of loss-producing events. Personal casualty loss includes, but is not limited to, damage, destruction, or loss of property resulting from a sudden, unexpected or unusual event such as flood, earthquake, hurricane, fire, tornado, or theft.
 - **Legal expenses for attorney fees and court costs associated with separation or divorce.** Court-ordered payments to a spouse or former spouse (e.g., alimony or property settlement, child support payments, costs of obtaining prepaid legal services, and other coverage for legal services) are not allowed.

QUALIFYING FOR A FINANCIAL HARDSHIP IN-SERVICE WITHDRAWAL

To qualify for a financial hardship withdrawal from your TSP account:

- You must have a financial hardship as described above, and certify to that effect.
- You must be a current Federal employee. (This includes employees who are in nonpay status.)
- Your TSP account must contain at least \$1,000 of your own contributions and earnings on those contributions. You cannot request less than \$1,000, nor can you request more than your hardship. If your employee contributions and earnings are less than your requested amount but are at least \$1,000, you will be paid the lesser amount.
- You cannot have received a financial hardship in-service withdrawal within 6 months of the time your current request is processed.
- You cannot have a pending application for an age-based in-service withdrawal or a TSP loan.

TERMINATING YOUR CONTRIBUTIONS

When your financial hardship withdrawal is made, the TSP will instruct your agency to terminate your employee contributions (if any) for 6 months. If you are a FERS employee, this means that any Agency Matching Contributions will also stop. However, as long as you are in pay status, you will continue to receive your Agency Automatic (1%) Contributions. At the end of this 6-month period, you can ask your agency to resume your contributions; they will **not** resume automatically.

TAX WITHHOLDING ON YOUR PAYMENT

The Internal Revenue Service (IRS) considers financial hardship withdrawals to be "non-periodic payments" for Federal income tax purposes. The TSP must withhold 10% of your withdrawal unless you submit IRS Form W-4P, Withholding Certificate for Pension or Annuity Payments, with this application. It is available from the TSP Web site, the TSP, and the IRS.

Worksheet to Determine Negative Cash Flow

You can complete this worksheet to help you determine if you have a negative cash flow and the amount of the negative cash flow. Use the instructions at the bottom of this page to help you complete the items. If you are married, you must include financial information for yourself and your spouse. **Do not submit this worksheet with your request.**

| A. | Total Monthly Income | Family Size | | |
|---|----------------------|-------------|--------|-----------|
| | | 1 or 2 | 3 or 4 | 5 or more |
| Determine your gross monthly income as explained in the instructions, then enter the amount on the line provided. | Less than \$1,250 | .85 | .90 | .90 |
| Find the factor for your monthly income and family size. | \$1,250 – 1,666 | .70 | .80 | .80 |
| Enter the factor and multiply it by the amount of your gross monthly income. Round to the nearest whole dollar. | \$1,667 – 2,499 | .60 | .65 | .70 |
| | \$2,500 – 3,332 | .50 | .55 | .60 |
| | \$3,333 – 4,166 | .40 | .50 | .50 |
| | \$4,167 – 5,832 | .40 | .45 | .50 |
| | \$5,833 or more | .30 | .35 | .40 |

| | | |
|----------------------|-----------------------|----------|
| | _____ X _____ = _____ | |
| Gross Monthly Income | Factor | A |

B. Enter your monthly scheduled household expenses: (See instructions.) _____ **B**

C. Enter your total monthly household expenses by adding Lines A and B. _____ **C**

D. Enter the total net monthly income: (See instructions.) _____ **D**

E. Subtract Line D from Line C to determine if you have a negative cash flow. If Line C is less than Line D, you do not have a negative cash flow. (See instructions.) _____ **E**

F. Multiply Line E by 6 months to determine your hardship amount due to negative cash flow: _____ x 6 = _____ **F**

Information and Instructions for the Worksheet:

- A.** The allowance for ordinary household expenses takes into account ordinary monthly recurring expenses (e.g., food, clothing, household operations, entertainment, education, health insurance premiums), including expenses frequently charged to credit cards.
- If you are in **pay status**, determine the **gross** monthly income by adding your gross monthly pay and any other monthly income (such as child support) for you (and, if applicable, your spouse). Your gross pay is your pay before taxes and any other deductions are taken out.
- If you are in **nonpay status**, determine your **gross** monthly income by using your annual salary shown on your earnings and leave statement. Divide this amount by 12 and then add any other monthly income for you (and, if applicable, your spouse).
- If any income for you or your spouse is not monthly, you will need to calculate the monthly amount. For example, if you are paid 26 times a year (biweekly), multiply the biweekly amount by 26 and divide by 12.
- B.** Your monthly scheduled household expenses include your rent or mortgage, real estate tax, your homeowner's or renter's insurance, and monthly household utilities (if these items are paid separately from your mortgage or rent), household dependent care (including household help due to illness or injury) and any expenses you pay for alimony, maintenance, or child support. You should also include any installment loan payments (other than those related to a TSP loan). Do not include credit cards or charge accounts or any interest charges on them. These items are taken into consideration in your allowance for ordinary monthly household expenses.
- C.** Add Lines A and B to determine your total monthly household expenses.
- D.** To calculate the **net** monthly income for you, and, if applicable, your spouse, add the monthly amounts for Federal, state, and local income tax withholding, OASDI (Social Security)/Medicare, and monthly Federal retirement deduction (i.e., FERS or CSRS). If your spouse has any other type of monthly retirement plan deductions or makes monthly TSP contributions, also add in those items. Subtract this total from the gross monthly income you provided in A and enter the result on Line D.
- E.** If the number shown on Line C is less than the number shown on Line D, you do not have a negative cash flow. You are not eligible for a hardship withdrawal because of negative cash flow. You do not need to complete Line F. Otherwise, subtract the number on Line D from Line C. Enter this number on Line E.
- F.** Multiply the number on Line E by 6 to determine the hardship amount that you may be eligible to request due to negative cash flow.



THRIFT SAVINGS PLAN FINANCIAL HARDSHIP IN-SERVICE WITHDRAWAL REQUEST

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I. INFORMATION ABOUT YOU

1. Name _____
Last First Middle
2. _____ 3. (____) _____ - _____
TSP Account Number Daytime Phone (Area Code and Number)
4. Address _____
Street address or box number
5. City _____ 6. _____ 7. _____
State/Country Zip Code

II. WITHDRAWAL REQUEST

The amount you request must be \$1,000 or more and cannot be more than the dollar amount that will relieve the hardship indicated in Item 9.

8. Amount of withdrawal you are requesting \$ _____ .00
9. Reason(s) you are requesting a financial hardship withdrawal. (See "Determining Financial Hardship" in the instructions, then check all that apply.)
- Negative monthly cash flow Medical expenses
- Legal expenses for separation or divorce Personal casualty loss

III. SPOUSE INFORMATION

10. Are you married (even if separated from your spouse)?
- Yes (Complete this section.) No (Skip to Section VI.)
- Complete Item 12 below only if Item 18 or 22 is checked.**
11. _____ 12. _____ - _____ - _____
Spouse's Name Last First Middle Spouse's Social Security Number

IV. FOR MARRIED CSRS PARTICIPANTS ONLY

13. Check here if your spouse's address is the same as your address above. (If not, complete Items 14-17.)
14. Spouse's Address _____
Street address or box number
15. City _____ 16. _____ 17. _____
State/Country Zip Code
18. Check here if you do not know your spouse's address.

V. FOR MARRIED FERS PARTICIPANTS ONLY

- Your spouse must consent to your withdrawal. His or her signature must be notarized.
- Spouse's Consent:** By signing below, I consent to this financial hardship in-service withdrawal from my spouse's Thrift Savings Plan account.
19. _____ 20. _____
Spouse's Signature Date Signed
- Notarization of Spouse's Signature:**
21. On this _____ day of _____, _____, _____, the person who signed Item 19 above, _____
Month Year
who is known to or was identified by me, personally appeared and acknowledged to me that he or she signed this form. In witness thereof, I have signed below on this date.
- [seal] My commission expires: _____
Notary Public's Signature
Jurisdiction
22. **Participant:** Check here if you cannot obtain your spouse's signature.

VI. REQUEST FOR DIRECT DEPOSIT

23. _____ 24. _____
Name of Financial Institution Routing Number (Must be 9 digits.)
25. Type of Account Checking Savings 26. _____
Checking or Savings Account Number

VII. YOUR CERTIFICATION

I agree to the conditions for a financial hardship withdrawal stated on this form. I certify that I have a financial hardship, as described in the instructions to this form, and that the dollar amount of this request does not exceed the actual amount of my financial hardship. I further certify that the information I have provided in this withdrawal request is true and complete to the best of my knowledge. **Warning:** Any intentional false statement in this application or willful misrepresentation concerning it is a violation of law that is punishable by a fine of as much as \$10,000 or imprisonment for as long as 5 years, or both (18 U.S.C. § 1001).

27. _____ 28. _____
Participant's Signature Date Signed

INFORMATION AND INSTRUCTIONS

I. INFORMATION ABOUT YOU

1–7: Complete this section. Your TSP account number is the 13-digit number that was issued to you. For security purposes, the TSP account number is used instead of your Social Security number to identify your account. **Unless you choose direct deposit, a check for your financial hardship withdrawal will be mailed to the address in your TSP account**

record. If that address is not correct, have your agency personnel or payroll office correct your address **before** you request a withdrawal. The TSP **will not** use the address that you provide on your financial hardship withdrawal request to change your TSP account address or to mail your check.

II. WITHDRAWAL REQUEST

8: You may not request less than \$1,000. The maximum withdrawal amount depends on the amount of your own contributions and earnings. If your employee contributions and earnings are less than your requested amount but are at least \$1,000, you will be paid the lesser amount.

to, by signing this form, certify to the validity of the information you are providing. If you are requesting a hardship withdrawal due to negative monthly cash flow, we recommend that you use the Worksheet to Determine Negative Cash Flow provided in this package. This will help you determine whether you have a negative cash flow and the amount you may be eligible to request. If you are in Chapter 13 bankruptcy, you cannot request a hardship due to negative cash flow. This is because the court has shielded you against a negative cash flow position.

The amount you request here cannot exceed the total of the amount associated with the hardship reason(s) you indicate in **Item 9**.

9: Indicate the reason or reasons for your financial hardship. After completing the form, you will have

III. SPOUSE INFORMATION

Spouses' rights apply to all in-service withdrawal requests. If you are a married FERS employee, this means that your spouse must consent to your financial hardship in-service withdrawal. If you are a married CSRS employee, the TSP must notify your spouse before your financial hardship withdrawal can be made.

10–12: (FERS and CSRS participants) — You must complete **Item 10**, and, if married, provide your spouse's name in **Item 11**. Otherwise, the TSP may not be able to process your request.

IV. FOR MARRIED CSRS PARTICIPANTS ONLY

13–18: If your spouse's address is the same as your address entered in **Items 4–7** of Section I, check the box in **Item 13** and proceed to Section VI. Otherwise, provide your spouse's address in **Items 14–17**. If you do not know the whereabouts of your spouse, check

Item 18, provide your spouse's Social Security number in **Item 12**, and submit Form TSP-16, Exception to Spousal Requirements, with the documentation required for that form. You should submit Form TSP-16 with your withdrawal request.

V. FOR MARRIED FERS PARTICIPANTS ONLY

19–22: If you are a married FERS participant, your spouse must give written consent to the withdrawal by signing and dating **Items 19 and 20**. In addition, your spouse's signature must be notarized in **Item 21**. The notary must provide all of the requested information and place his or her seal or stamp by this item.

that exceptional circumstances apply, check **Item 22**, provide your spouse's Social Security number in **Item 12**, and submit Form TSP-16, Exception to Spousal Requirements, along with the documentation required for that form. You should submit Form TSP-16 with your withdrawal request.

If you cannot obtain your spouse's signature because his or her whereabouts are unknown or you believe

VI. REQUEST FOR DIRECT DEPOSIT

23–26: Your financial hardship withdrawal will be mailed to you at the address in your TSP record unless you indicate that you would like the withdrawal to be sent directly to your checking or savings account. Direct deposit by electronic funds transfer (EFT) is a safer method than sending a check. Also, lost, stolen, damaged, or misdirected checks could take 6 weeks

or longer to replace. If you want to have your withdrawal sent by EFT, provide the requested information in **Items 23–26**. If you do not know the routing number of your financial institution (**Item 24**), contact your financial institution for this information. The TSP will make your payment directly to your financial institution.

VII. YOUR CERTIFICATION

27–28: Read the certification carefully. By signing this section you are agreeing to the conditions stated in this package and certifying that you have a genuine financial hardship of no less than the requested amount, as explained in the introductory information, "Determining Financial Hardship."

Before signing this request, keep in mind that your employee contributions, if any (and any matching contributions, if you are a FERS employee), will be **terminated for 6 months** after your withdrawal has been paid.

PRIVACY ACT NOTICE. We are authorized to request the information you provide on this form under 5 U.S.C. chapter 84, Federal Employees' Retirement System. We will use this information to identify your TSP account and to process your transaction. In addition, this information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. We may share the information with law enforcement agencies investigating a violation of civil or criminal law, or agencies implementing a

statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries, and their attorneys. We may disclose relevant portions of the information to appropriate parties engaged in litigation and for other routine uses as specified in the Federal Register. You are not required by law to provide this information, but if you do not provide it, we will not be able to process your request.