

CHANGE TO TSP SPOUSAL BENEFICIARY ACCOUNTS

Interim implementing procedures for surviving spousal TSP beneficiary accounts have now been established by the Office of Personnel Management (OPM). This change is in keeping with the provisions of the Thrift Savings Plan (TSP) Enhancement Act of 2009, signed into law on June 22, 2009. The transition will not be fully complete until 2010, however during the interim period; a deceased participant's spouse has several options as the beneficiary of the TSP account.

Once TSP has received and processed, Form TSP-17 (Information Relating to Deceased Participant), the TSP will send an interim notice to spouse beneficiaries to inform them that they may leave the designated amount they are entitled to in the TSP. It will remain invested in the G Fund until a TSP account has been established in the spouse's name. Rather than the account being paid 60 days after the notice is sent, the spouse will have the option of requesting immediate payment by filling out an enclosed form. The form will have to be notarized. The payment can also be transferred to an IRA or other eligible employer plan by filling out a TSP-13-S-D which will also be enclosed with the notice.

If the spouse is a TSP participant, they may request that the TSP transfer the spousal account balance to their TSP account. Detailed information regarding the transfer option and taxation rules can be found in the tax notice, "Important Tax Information about TSP Death Benefit Payments" ["http://www.tsp.gov/forms/octax92-38.pdf"](http://www.tsp.gov/forms/octax92-38.pdf) on the TSP website.