



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 12-15, Implementation of Roth Thrift Savings Plan (TSP) Contributions

Date: May 17, 2012

To: Subscribers of all Title I Publications (Payroll/Personnel)

The Thrift Savings Plan (TSP) Enhancement Act of 2009, Public Law 111-31, signed into law on June 22, 2009, authorized the Federal Retirement Thrift Investment Board (FRTIB) to add a Roth 401(k) feature to the plan. This benefit allows participants to contribute on an after-tax basis to their TSP accounts and receive tax-free earnings when they withdraw the funds (assuming certain criteria are met). For more information on Roth requirements, see the TSP Web site (www.tsp.gov).

The National Finance Center (NFC) will implement a mandated Federal TSP Roth and Federal Roth Catch-up in accordance with the FRTIB Requirements. The NFC designated TS Plan Code breakdown is as follows:

Roth Category	Federal Roth Plan Code
FERS Roth	98
CSRS Roth	99
Roth Catch-up	09

Effective Pay Period 10, 2012, the NFC entry systems will be modified and edits will be implemented to accommodate the Federal TSP Roth and Roth Catch-up. The entry systems will be modified to allow TSP Roth elections for Roth plan codes 98, 99, and 09. Only the non-deferred amount and non-deferred percent fields will be allowed to be entered for these records. Roth Catch-up can only be a fixed dollar amount. The number of TSP Record and TSP Collection Record occurrences will increase from 10 to 12. Users should follow the entry instructions for the specific entry system being used for entering Roth and Roth Catch-up. The systems being modified include:

- Entry, Processing, Inquiry, and Corrections System (EPIC Web)
- *EmpowHR*
- Special Payroll Processing System (SPPS Web-Based Version)

Front-End System Interface (FESI)

Currently, the NFC System only allows submission of one Thrift Savings Plan (125) document and one Thrift Savings Plan Catch-up over 50 (126) document. With this modification, the NFC System

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will allow multiple FESI 125 and 126 documents to be processed to accommodate Roth TSP and Roth Catch-up Elections. Therefore, if an employee elects Traditional TSP and Roth TSP, two 125 documents will be required. Additionally, if an employee elects TSP Catch-up and Roth Catch-up, two 126 documents will be required.

FESI users should send in TSP and TSP Catch-up transactions using the FESI 125 and FESI 126 Record Layouts below and continue to populate the TS-DEDUCTION-FACTOR and TS-DEDUCTION-FACTOR-FIXED fields. FESI Users should send in Roth TSP and Roth Catch-up transactions using the FESI 125 and 126 Record Layouts. However, FESI users **must** populate the TS-DEDUCTION-FACTOR-NON-DEF and TS-DEDUCTION-FACTOR-FIXED-NON-DEF fields so the transactions are applied correctly to the Payroll/Personnel database as Roth or Roth Catch-up.

The TS-DEDUCTION-FACTOR-NON-DEF of the FESI 125 document for Roth 401(k) plan codes 98 and 99 must be a whole dollar amount, not exceeding \$16,500 (an amount determined by the Internal Revenue Service (IRS)) (i.e. 0005 = \$5; 16500 = \$16,500) or whole percentage from 1% to 100% (i.e. 00000100 = 1%; 00010000 = 100%).

The TS-DEDUCTION-FACTOR-FIXED-NON-DEF of the FESI 126 document for Roth 401(k) plan code 09 must be a whole dollar amount, not exceeding \$5,500 (an amount determined by the IRS) (i.e. 0005 = \$5; 5500 = \$5,000).

FESI-125-DOC Record Layout

REDEFINES FESI-3450-FORMAT			
10	CONTROL-DATA-125		
	15	PIC X(150)	
10	DOC-125		
	15 TS-DATE-EFF-MO		PIC X(02)
	15 TS-DATE-EFF-DA		PIC X(02)
	15 TS-DATE-EFF-CN		PIC X(02)
	15 TS-DATE-EFF-YR		PIC X(02)
	15 TS-TRANS-CODE		PIC X(01)
	15 TS-DEDUCTION-FACTOR-FIXED		PIC X(08)
	15 TS-DEDUCTION-FACTOR-NON-DEF		PIC X(08)
	FILLER		PIC X(3272)

FESI-126-DOC Record Layout			
REDEFINES FESI-3450-FORMAT			
10	CONTROL-DATA-126		
	15	PIC X(150)	
10	DOC-126		
	15 TS-DATE-EFF-MO		PIC X(02)
	15 TS-DATE-EFF-DA		PIC X(02)
	15 TS-DATE-EFF-CN		PIC X(02)
	15 TS-DATE-EFF-YR		PIC X(02)
	15 TS-TRANS-CODE		PIC X(01)
	15 TS-DEDUCTION-FACTOR-FIXED		PIC X(04)
	15 TS-DEDUCTION-FACTOR-FIXED-NON-DEF		PIC X(04)
	FILLER		PIC X(3283)

Note: When submitting a STOP action in regard to a FESI 125, a value will be required. If stopping regular TSP contributions, the FESI user must submit zeros in the TS-DEDUCTION-FACTOR and spaces in the TS-NON-DEDUCTION-FACTOR. If stopping a Roth, the FESI user must submit zeros in the TS-DEDUCTION-FACTOR-NON-DEF and spaces in the TS-DEDUCTION-FACTOR. The same rules will apply to FESI 126 STOP actions on TSP Catch-Up and Roth Catch-Up.

Employee Personal Page (EPP)/Employee Self-Service (ESS)

The EPP/ESS will be updated to accommodate the inclusion of TSP Roth and Roth Catch-up on the TSP Self-Service Request page. Employees will be able to submit self-service requests for the Roth option.

Reporting Center

The Reporting Center will be modified to display TSP Roth and Roth Catch-up received on all of the reports that reflect TSP information.

Internal Revenue Service (IRS) Form W-2, Wage and Tax Statement

TSP Roth and Roth Catch-up contributions will be found under Box 12 on IRS Form W-2, Wage and Tax Statement.

The procedure manuals for the affected applications, which are available online at the NFC Web site, have been updated to include the information in this bulletin. To view and/or print these procedures,

