Thrift Savings Plan
BULLETIN for Agency TSP Representatives

Subject: Participation in the Thrift Savings Plan

Date: July 22, 2010

This bulletin provides information on the responsibilities and actions agencies must take regarding TSP eligibility and participation for their employees who are appointed or reappointed after July 31, 2010 to a position that is covered by the Federal Employees' Retirement System (FERS) (and its equivalent retirement systems) and the Civil Service Retirement System (CSRS) (and its equivalent retirement systems). It incorporates the changes in eligibility and participation that are provided in Public Law 111-31, the Thrift Savings Plan Enhancement Act of 2009 (the Act). This bulletin supersedes TSP Bulletin 09-9, Participation in the Thrift Savings Plan, dated September 9, 2010, and TSP Bulletin 10-3, Implementation of Automatic Enrollment in the Thrift Savings Plan, dated February 24, 2010. Although these bulletins are superseded, the TSP will maintain copies of these bulletins on the website for historical reference.

This bulletin also provides agencies with sample language they may use to assist employees in understanding their TSP eligibility, along with the latest version of Form TSP-1, Election Form, and Form TSP-25, Automatic Enrollment Refund Request.

I. Definitions

A. Agency Automatic (1%) Contributions – Contributions equal to 1% of basic pay each pay period, contributed to a FERS participant's TSP account by his or her agency. Upon separation from Federal service, employees must meet the TSP vesting requirement in order to keep these contributions and their associated earnings. TSP Bulletin 97-30, Vesting and the TSP Service Computation Date, dated August 19, 1997, provides information on the vesting requirements for FERS employees.

B. Agency Matching Contributions – Contributions an agency must make each pay period when FERS employees contribute to the TSP. The employee is entitled to

(continued on next page)

Inquiries: Questions concerning this bulletin should be directed to the Federal Retirement Thrift Investment Board at **202-942-1460**.

Chapter: This bulletin may be filed in Chapter 3, Eligibility receive a matching contribution on the first 5% of basic pay the employee contributes to the TSP each pay period. The formula for Agency Matching Contributions is:

- Dollar for dollar on the first 3% of basic pay contributed; and
- 50 cents per dollar on the next 2% of basic pay contributed.
- Total cannot exceed 4% of basic pay.

Employee contributions of less than $1.00 or equivalent to less than 1% of basic pay must be appropriately matched by the agency. Employee contributions greater than 5% of basic pay each pay period are not matched by the agency. Employees are automatically vested and entitled to keep Agency Matching Contributions and associated earnings upon separation from Federal service.

C. Automatic Enrollment – Automatic deductions from basic pay for employees covered under FERS or CSRS who are newly hired or rehired with a break in service of more than 30 days. The percentage set by the Federal Retirement Thrift Investment Board (Agency) that will initially be deducted from basic pay is 3% effective August 2010.

D. Break in service – For TSP purposes, a break in service is a separation from Federal service for more than 30 calendar days.

E. Catch-up Contributions – Contributions which are made via payroll deduction by a participant age 50 or older and are permitted to exceed the Internal Revenue Code (I.R.C.) elective deferral limit. Catch-up contributions have their own I.R.C. annual limit.

F. Civil Service Retirement System (CSRS) – The term “CSRS” refers to the Civil Service Retirement System, including CSRS Offset, the Foreign Service Retirement and Disability System, and other equivalent Government retirement plans.

G. Contribution election – A request by a participant to start contributing to the TSP, to change the amount of his or her contribution to the TSP each pay period, or to terminate contribution to the TSP.

H. Elective deferral limit – An annual dollar limit, established under the Internal Revenue Code (I.R.C.), for tax-deferred TSP employee contributions. Catch-up contributions made by participants are not subject to this limit, but have a separate I.R.C. limit.

I. Employee Data (06) Record (EDR) – The electronic record used by the agency’s payroll office to transmit to the TSP information about the employee and the agency to establish (and maintain) the employee’s TSP account.

J. Federal Employees’ Retirement System (FERS) – The term “FERS” refers to the Federal Employees’ Retirement System, the Foreign Service Pension System, and other equivalent Government retirement plans.

K. Forfeiture – The removal of agency contributions and associated earnings by the TSP from a participant's TSP account. Forfeitures of the Agency Automatic (1%) Contributions are taken from the accounts of separated FERS employees who do not meet the TSP's vesting requirements. Forfeitures of the associated Agency Matching Contributions are taken at the time a FERS employee requests and receives a refund of employee contributions associated with the first 90 days of automatic enrollment. The TSP will also remove agency contributions from the TSP account of a participant who was incorrectly covered under FERS and whose record is later corrected to coverage under CSRS. The agency contributions that are forfeited are not returned to the agency but are used by the TSP to offset administrative expenses to operate the Plan.

L. Pay date – The date associated with a TSP contribution from basic pay earned during an applicable pay period.

M. Pay period – The period of time over which an employee is paid. Pay periods are normally biweekly, but can be weekly, semimonthly, or monthly in duration. TSP eligibility and elections are generally effective at the beginning of a pay period.

N. Payment (16) Record – The electronic record used by the agency's payroll office to transmit employee, Agency Automatic (1%), and Agency Matching Contributions to the TSP each pay date. The 16-Record is generally used for current payments.

O. Refund of Automatic Enrollment Contributions – Upon request, the payment of employee contributions and associated earnings to a participant who is automatically enrolled in the TSP within the first 90 days of being automatically enrolled by his or her agency.

P. TSP Status Code – The code transmitted by the agency's payroll office to the TSP on an EDR that reflects an employee's participation in the TSP (e.g., eligible but not contributing, contributing, terminated contributions). The Status Code information in Section III of this bulletin provides the definitions and use of each of the TSP Status Codes.

Q. TSP Status Date – The date an employee attained or changed his or her current TSP status. Agency payroll offices provide the Status Date to the TSP on the EDR at the time the Status Code changes. The Status Date information in Section III of this bulletin provides the applicable Status Date an agency should use when a TSP Status Code is changed.

II. Automatic Enrollment and Eligibility to Participate in the TSP

A. Employees who are covered by FERS and CSRS are eligible to participate in the TSP. Effective the first full pay period in August 2010, employees who are appointed or reappointed to a covered position will become subject to the automatic enrollment provisions of Public Law 111-31, the Thrift Savings Plan Enhancement Act of 2009. Those employees who are on the agency's rolls prior to implementation of automatic enrollment will retain their TSP eligibility status and will not become automatically enrolled in the TSP if they do not have a TSP election on file with the agency.

Automatic enrollment applies to all FERS or CSRS employees (including reemployed annuitants with applicable coverage under FERS or CSRS) who are newly hired or rehired during or after the first full pay period in August 2010. Unless these employees make their own TSP contribution elections, the agency must enroll them in the TSP at a contribution rate of 3% of their basic pay each pay period. The contributions will be invested in the Government Securities Investment (G) Fund until the employee makes a contribution allocation with the TSP. The agencies must also ensure that FERS employees receive the appropriate Agency Automatic (1%) and Agency Matching Contributions. The TSP Status Code of "A" identifies automatically enrolled TSP participants.

Agencies must provide TSP information to participants upon appointment or reappointment regarding TSP eligibility and participation opportunities. Participants who are automatically enrolled in the TSP must be provided information regarding their TSP eligibility and enrollment status to include their ability to elect to change or stop their TSP contributions. In some cases, automatically enrolled participants may not only wish to terminate their future contributions to the TSP, but may also be eligible to receive a refund of their employee contributions and associated earnings that were deducted during the first 90 days of being automatically enrolled.

B. Employees who are on the agencies' rolls prior to the program's implementation and who are not contributing to the TSP will not be automatically enrolled. They will retain their existing TSP eligibility until they elect to contribute to the TSP or are separated from service. In addition, employees who are rehired without a break in service for TSP purposes will retain their prior TSP eligibility. Agencies must ensure these participants are properly coded in their human resource systems with the correct eligibility and TSP status.

III. TSP Status Codes

The TSP Status Code, as reported on the Employee Data Record (EDR), reflects an employee's participation in the TSP. There are five TSP Status Codes, as described below. Agencies assign these codes to FERS or CSRS employees and report them on the EDRs which they submit to the TSP to establish an account or to change employee data previously submitted. (Agencies may use other codes in their internal records for TSP status as they see fit; the five codes below are the only ones that should be submitted to the TSP.)

A. TSP Status Codes

Agencies assign this code when employees are:

A Automatically enrolled in the TSP:

- FERS employees automatically contributing 3% to the TSP and receiving agency contributions
- CSRS employees automatically contributing 3% to the TSP

Y Yes, contributing to the TSP:

- FERS employees who elected to contribute to the TSP and are receiving agency contributions
- CSRS employees who elected to contribute to the TSP

T Terminated contributions:

- FERS or CSRS employees who elect to terminate TSP contributions
- FERS or CSRS employees in the non-contribution period as a result of a financial hardship in-service withdrawal

NOTE: FERS employees must receive Agency Automatic (1%) Contributions even if they elect to terminate their contributions or are not eligible to make contributions as a result of receiving a financial hardship in-service withdrawal.

E Eligible for agency contributions, but did not elect to contribute:

- FERS employees on the agencies' rolls prior to implementation of automatic enrollment in August 2010 who are not contributing but must receive Agency Automatic (1%) Contributions
- Rehired FERS employees with a break in service of 30 calendar days or less who were previously coded E

I Ineligible to participate in the TSP:

- Employees who are not eligible for the TSP but who were allowed to participate in the TSP in error (e.g., an employee covered by FICA only who was erroneously classified as a FERS employee)

B. TSP Status Dates

The TSP Status Date is the date employes attain their current TSP status. Agencies assign these dates to FERS or CSRS employees, as described below, and report the dates to the TSP on EDRs.

TSP Status Codes with TSP Status Dates

A Automatically enrolled in the TSP:

- Effective August 2010, date of hire or rehire

Y Yes, contributing to the TSP:

- Effective date of employee's first contribution election

NOTE: The status date does not change if employees submit a subsequent contribution election to change their contributions.

T Terminated contributions:

- Effective date of an employee election to terminate contributions
- Required termination date due to receipt of a financial hardship in-service withdrawal

E Eligible for agency contributions, but did not elect to contribute:

- The first day of the first full pay period of the month during which the FERS employee became eligible to receive agency contributions

I Ineligible to participate in the TSP:

- Date the Status Code was changed to "I"

IV. Agency Responsibilities

Agencies must:

- Inform their new employees and rehires of their automatic enrollment in the TSP, explain the benefits of participating in the plan, and notify them that they can change the amount or percentage of their contributions or terminate their contributions at any time.

- Allow those employees who do not wish to make automatic contributions to immediately terminate their automatic enrollment within the first pay period of hire or rehire subject to the agency's payroll processing window.

- Deduct 3% of employees' basic pay and submit it to the TSP if the employees do not make an alternate contribution election.

- Inform employees who are rehired without a TSP break in service that their eligibility (and latest TSP election on file, if any) will continue upon reappointment. These employees must also be provided information regarding the benefits of participating in the TSP, in addition to information on how to change or terminate their contributions to the TSP at any time.

  The TSP provides sample language letters which agencies may use to provide information to FERS and CSRS employees regarding the TSP. These letters are attached to this bulletin and may be downloaded in MS Word format from the TSP website. The following provides specific guidance for various employee populations.

A. FERS Appointments and Reappointments

(1) Notify FERS employees that they are automatically enrolled in the TSP, that 3% of their basic pay will be deducted for the TSP, and that they will receive 3% Agency Matching Contributions as well as the Agency Automatic (1%) Contribution. The TSP contribution rules should be explained to employees and they must be informed that they can terminate their automatic enrollment contributions at any time. If employees terminate contributions during the first pay period of hire or rehire, there should be no contributions deducted from their first or subsequent pay checks until they voluntarily elect to contribute to the TSP at a later date. However, agencies must continue to deposit Agency Automatic (1%) Contributions into these employees' TSP accounts.

Employees must also be notified that they may request a refund of the employee contributions that are associated with the automatic enrollment as long as the request is received by the TSP no later than the refund deadline date provided in the TSP Welcome Letter. Employees may make this refund request whether or not they choose to terminate their contributions to the TSP or submit a subsequent election to change their contribution amount or percentage. A copy of Form TSP-25, Automatic Enrollment Refund Request, is attached to this bulletin. (See Section V below for more information about Form TSP-25 and the TSP Welcome Letter.)

(2) Once a FERS employee is automatically enrolled in the TSP, the payroll office must:

a. Submit an Employee Data (06) Record (EDR) to establish the TSP account for a new hire (or to notify the TSP that the employee has been rehired after a break in service for TSP purposes). The employee's TSP Status Code must be "A" (automatically enrolled), and the TSP Status Date should be the date of hire or rehire.

b. Begin submitting Current Payment (16) Records to report the employee and associated Agency Matching Contributions, and the Agency Automatic (1%) Contributions.

(3) If a FERS employee elects to immediately terminate automatic enrollment within the first pay period of hire or rehire[1], the payroll office must:

a. Submit an Employee Data (06) Record (EDR) to establish the TSP account for a new hire (or to notify the TSP that the employee has been rehired after a break in service for TSP purposes). The employee's TSP Status Code must be "T" (terminated contributions), and the TSP Status Date should be the date of hire or rehire if the termination is made within the initial pay period of hire or rehire. (This election must be processed immediately to ensure that there are no contributions deducted from the employee's pay.)

b. Begin submitting Current Payment (16) Records to report the Agency Automatic (1%) Contributions. If an EDR is submitted to establish a TSP account for a FERS employee with a "T" Status Code and the EDR is not accompanied by a current payment record with Agency Automatic (1%) Contributions, the TSP record keeping system will reject the EDR. The TSP will not establish the participant's account until a payment record reporting Agency Automatic (1%) Contributions is submitted with the EDR.

(4) If, immediately upon hire or rehire, a FERS participant elects to contribute an amount other than the 3% default contribution, normal contribution processing rules apply. Thus, the election must be made effective no later than the pay period following receipt of the election by the agency.

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[1] Agencies must notify employees that there is a specific window of time for processing the termination of contributions in order to be effective the first pay period. If employees do not submit their termination elections in time to stop the first contribution from being deducted from pay, it should be made effective the next pay period.

However, agencies that are able to make TSP elections effective in the same pay period the employee is hired or rehired may do so.

a. Submit an Employee Data (06) Record (EDR) to establish the TSP account for a new hire (or to notify the TSP that the employee has been rehired after a break in service for TSP purposes). The employee's TSP Status Code must be "Y" (contributing to the TSP), and the TSP Status Date should be the effective date of the election.

b. Begin submitting Current Payment (16) Records to report the employee contributions (based on the amount or percentage elected), associated Agency Matching Contributions, and the Agency Automatic (1%) Contributions.

B. CSRS Reappointments

(1) Notify these employees that they are automatically enrolled in the TSP and that 3% of their basic pay will be deducted for the TSP. The TSP contribution rules should be explained to these employees and they must be informed that they can terminate their automatic enrollment contributions at any time. If employees terminate contributions during the first pay period of hire or rehire, there should be no contributions deducted from their first or subsequent pay checks until they voluntarily elect to contribute to the TSP at a later date.

CSRS employees may also request a refund of automatic enrollment contributions.

See the notification requirements in A(1) above.

(2) Once a CSRS employee is automatically enrolled in the TSP, the payroll office must:

a. Submit an Employee Data (06) Record (EDR) to notify the TSP that the employee has been rehired after a break in service for TSP purposes.

The employee's TSP Status Code must be "A" (automatically enrolled), and the TSP Status Date should be the date of rehire.

b. Begin submitting Current Payment (16) Records to report the employee contributions.

(3) If a CSRS employee elects to immediately terminate automatic enrollment within the first pay period of rehire:

a. Do not submit an Employee Data (06) Record (EDR) to establish the TSP account. The TSP record keeping system will reject the EDR unless

- it is submitted with a current payment record reporting employee contributions, or
- the participant has an open TSP account established from a prior period of employment.

b. If a rehired CSRS employee indicates that he or she has a TSP account from a period of prior employment, the agency should submit an EDR to indicate the participant is rehired. The agency can then update the participant's personal information (i.e., address or name change) and the participant will be able to request a TSP loan or in-service withdrawal from his or her account. On the EDR, the Employment Code should be blank, the Status Code should be "T," and the Status Date should be the date of rehire.

(4) If, immediately upon rehire, a CSRS participant elects to contribute an amount or percentage other than the 3% default contribution, normal contribution processing rules apply. Thus, the election must be made effective no later than the pay period following receipt of the election by the agency.

However, agencies that are able to make the TSP election effective in the same pay period the employee is hired or rehired may do so.

a. Submit an Employee Data (06) Record (EDR) to establish the TSP account (or to notify the TSP that the employee has been rehired after a break in service for TSP purposes). The employee's TSP Status Code must be "Y" (contributing to the TSP), and the TSP Status Date should be the effective date of the election.

b. Begin submitting Current Payment (16) Records to report the employee contributions.

(5) If a CSRS employee is automatically enrolled and elects coverage under FERS:

a. The agency must submit an EDR to change the participant's retirement coverage to FERS for the pay period the FERS election is effective. The EDR must include a TSP Service Computation Date (TSP-SCD) and TSP Vesting Code (see TSP Bulletin 97-30, dated August 19, 1997). The agency must begin submitting the appropriate Agency Matching Contributions, based on the employee's contribution and the Agency Automatic (1%) Contributions. The TSP Status Code and Status Date should not change.

b. After terminating contributions to the TSP, submit an EDR to change the retirement coverage to FERS. The EDR must include a TSP-SCD and TSP Vesting Code. The agency must also begin submitting Agency Automatic (1%) Contributions. The TSP Status Code remains "T" and the Status Date remains unchanged.

c. Immediately upon rehire, if the participant elects to contribute an amount other than the 3% default contribution to the TSP, submit an EDR to change the retirement coverage to FERS. The EDR must include a TSP-SCD and TSP Vesting Code. The agency must begin submitting employee contributions, the associated Agency Matching Contributions, and Agency Automatic (1%) Contributions. The TSP Status Code is "Y" and the Status Date is the effective date of the TSP contribution election.

C. Conversion to a Covered Position

When an employee is hired into a position that does not allow coverage under FERS or CSRS (or equivalent retirement systems), the employee is not eligible to participate in the TSP or receive agency contributions. However, if an agency later processes a personnel action to convert the employee to a position which entitles him or her to coverage under FERS or CSRS, the agency must take the appropriate actions described in Sections IV.A or IV.B above as of the date of the conversion to the covered position.

D. Transfers or Reappointments with No Break in Service

(1) When a FERS or CSRS employee transfers to a FERS or CSRS position in another Federal agency (or if the employee changes payroll offices), the employee's TSP participation must continue without interruption and the employee's TSP Status Code and Status Date do not change.

(2) When a former FERS or CSRS employee is reappointed to another FERS or CSRS position and the employee did not have a break in service for TSP purposes (i.e., the employee had not been separated for more than 30 calendar days), the employee's TSP participation must resume upon reappointment.

The TSP Status Code and Date do not change. The employee should not be automatically enrolled in the TSP unless he or she was automatically enrolled by the prior agency; the gaining agency must continue with the last TSP election and applicable Status Code and Status Date from the previous agency.

(3) If the employee had a valid contribution election on file with the losing/former agency (or payroll office), the gaining agency must use it to continue the employee's TSP contributions. The employee (like all other eligible employees) may make a new contribution election at any time. If the employee's eligibility to contribute at the previous agency was terminated due to receipt of a financial hardship in-service withdrawal and he or she is still within the six-month non-contribution period, the termination of employee contributions must continue through the end of the six-month period. If an agency fails to honor the prior election, the participant may make an appropriate claim for agency error; if the agency determines it erred in automatically enrolling the employee, it must take action to make the appropriate corrections to the employee's TSP account.

(4) The TSP Status Date should be determined based on the effective date of the participant's latest TSP Status Code. Agencies unable to code a past date in their systems should use the date of rehire or transfer to the agency.

E. Participants on an agency's rolls prior to its implementation of automatic enrollment who did not elect to contribute to the TSP

FERS and CSRS employees who are on an agency's rolls prior to the implementation of automatic enrollment and who did not elect to contribute to the TSP will retain their existing TSP status. Consequently, non-contributing FERS employees will retain their TSP Status Code of "E" and will continue to receive Agency Automatic (1%) Contributions. No action is required for CSRS employees who are not contributing to the TSP upon implementation of automatic enrollment.

F. Reemployed Annuitants

(1) For purposes of this bulletin, a "reemployed annuitant" means an individual who is rehired by the Federal Government and who continues to receive basic retirement benefits from CSRS or FERS.[2]

a. Generally, reemployed annuitants are performing covered service. In most cases, if the annuitant indicator on the Standard Form (SF)-50, Nature of Action, is coded "1," "4," or "5," the reemployed annuitant is eligible to participate in the TSP. In the case of a FERS reemployed annuitant, this will be reflected in the retirement code (which indicates FERS) because the annuitant is required to have FERS deductions taken from pay.

b. In the case of a CSRS reemployed annuitant, however, this may not be reflected in the retirement code because the annuitant may not be required to have CSRS retirement deductions taken from pay. Consequently, the retirement code of a CSRS reemployed annuitant may be "4" (i.e., none), though the annuitant is performing service covered by CSRS and is therefore eligible to participate in the TSP.

(2) If a reemployed annuitant is performing service covered by FERS or CSRS (i.e., the appointment is made pursuant to 5 U.S.C. § 8468 or § 8344(a), respectively), the reemployed annuitant is eligible to participate in the TSP. If rehired with a break in service for TSP purposes of more than 30 calendar days, the reemployed annuitant is automatically enrolled in the TSP. Agencies will follow the procedures in Section IV.A of this bulletin for FERS reemployed annuitants and Section IV.B for CSRS reemployed annuitants.

(3) If a reemployed annuitant is not performing covered service (e.g., a FERS annuitant who is reemployed on an intermittent basis or an annuitant authorized to receive full salary and full annuity under P.L. 101-509 or the National Defense Authorization Act of 2004), the reemployed annuitant is not eligible to participate in the TSP.

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[2] The Office of Personnel Management (OPM) administers CSRS and FERS. Accordingly, OPM, not the Federal Retirement Thrift Investment Board, regulates CSRS and FERS coverage, deductions, and retirement codes. Agency representatives who have questions about these issues should contact their Agency Retirement Counselors or OPM, as appropriate.

Note: See TSP Bulletin 05-17, dated November 30, 2005, for information regarding the basic pay used to determine TSP contributions of eligible reemployed annuitants.

G. Dual Appointees

(1) If an employee covered by FERS or CSRS receives a second, simultaneous (dual) appointment, the employee is eligible to participate in the TSP under each appointment if the employee's retirement coverage continues under the second appointment. If the retirement coverage continues, the employee's TSP participation continues under the second appointment.

(2) When the appointments are made by two different Federal agencies or appointing authorities, the following rules apply:

a. Based on the appointment date of each agency, employees are automatically enrolled until they elect to change or terminate their participation in the TSP (with each agency). Each agency must use only the basic pay employees earn in the respective agency to determine TSP contributions.

b. If an employee has received a financial hardship in-service withdrawal, both agencies must terminate employee contributions to the TSP during the six-month non-contribution period. At the end of the six-month period, the employee may make separate elections with each agency to begin to contribute to the TSP. If the employee is FERS, the agency must ensure that Agency Automatic (1%) Contributions continue.

(3) If the employee's retirement coverage does not continue under the second appointment, the employee is not eligible to participate in the TSP under the second appointment.

V. Employee Responsibilities regarding Automatic Enrollment, Participation, and Requests for Refunds of Automatic Enrollment Contributions

A. Participants should read the information provided by the agency regarding their automatic enrollment status and eligibility to participate in the TSP. They should also be referred to the TSP website (www.tsp.gov) and provided the latest copy of the booklet *Summary of the Thrift Savings Plan*, which explains the TSP features in greater detail. As long as employees are satisfied with their TSP participation in the automatic enrollment program, they do not have to take any action. If they want to change their contribution amounts or percentages, or if they want to terminate their contributions to the TSP, they must submit their contribution elections to their agencies using the agencies' self-service electronic system (e.g., Employee Express, PostalEase, or myPay) or Form TSP-1, Election Form, as appropriate.

B. Participants who are automatically enrolled in the TSP may generally request a refund of the contributions deducted from their basic pay (including associated earnings) associated with the first 90 days of automatic enrollment. The Form TSP-25, Automatic Enrollment Refund Request, must be submitted directly to the TSP and it must be **received** by the TSP no later than 90 days after the TSP's receipt of the first automatic enrollment contribution (the refund deadline date). This date is provided to them in the TSP Welcome Letter sent to all employees upon receipt of their first contribution.

(1) Form TSP-25 must be received no later than the refund deadline date provided in the TSP Welcome Letter. Generally, the TSP will honor a timely request for a refund even if the participant has made a contribution election, contribution allocation, or interfund transfer, taken other actions that could be construed as "active" participation in the plan (e.g., a loan or in-service withdrawal), or subsequently separated from Federal service. The refund the TSP pays to the participant is considered ordinary income earned, but is not subject to the Internal Revenue Code (I.R.C.) 10% early withdrawal penalty tax.

(2) For FERS participants who are eligible to request a refund of automatic enrollment contributions and submit Form TSP-25 to request payment, the participant will forfeit the Agency Matching Contributions and associated earnings at the time the refund of employee contributions is made. The Agency Automatic (1%) Contributions will remain in the participant's TSP account.

(3) If the participant is rehired and is again automatically enrolled in the TSP upon reappointment, he or she may not be eligible for another opportunity to request a refund of automatic enrollment contributions from the period of reemployment. Under rules mandated by the Internal Revenue Service, a new 90-day refund period is not allowed unless one full calendar year (January through December) has passed since the participant's last automatic enrollment contribution. The TSP Welcome Letter will provide rehired participants with their refund deadline date (which may be a previous date) and information regarding their eligibility to receive a refund of automatic enrollment contributions after being rehired. If one full calendar year has passed since the participant's last automatic enrollment contribution, the Welcome Letter will include a new refund deadline date.

VI. Thrift Savings Plan Responsibilities

A. Under the provisions of the TSP Enhancement Act of 2009, the Federal Retirement Thrift Investment Board (Agency) was authorized to determine the percentage of pay to be contributed under the automatic enrollment program; the allowable range is between 2% and 5%. The Agency has determined the initial enrollment percentage will be 3% of the participant's basic pay. Agencies will receive notification if, in the future, the Agency determines the percentage of automatic enrollment should be increased or decreased.

B. The Agency has revised Form TSP-1, Election Form, and attached a copy to this bulletin. Agencies that use the form to process elections may download a copy of this form from the TSP website (www.tsp.gov) under the forms and publications section or may order printed forms through their agency's forms and publications system.

C. The Agency also revised the language in the FERS and CSRS TSP letters for new hires and rehires. The Agency developed these letters to provide sample language of the information regarding the TSP that should be explained to employees upon appointment or reappointment. Agencies may use this language and insert information as appropriate regarding instructions to the employee that are specific to the agency. Copies of these letters are attached to this bulletin. Copies of these letters in MS Word format are available on the historical information page of the TSP website.

D. The Agency has also revised its participant education materials, including the booklets, leaflets, and the Welcome Letter mailed to each participant when a TSP account is established. The TSP will provide a bulletin to agency representatives as the *Summary of the Thrift Savings Plan,* the *Managing Your TSP Account* booklet, and the other materials are revised.

E. Processing Requests for Refunds

(1) The Automatic Enrollment Refund Request, Form TSP-25, was created to allow those participants who are automatically enrolled in the TSP to receive a refund of the contributions made to their TSP accounts within the first 90 days of automatic enrollment. A copy of this form is attached for your information.

(2) The participant must submit Form TSP-25 directly to the TSP for the refund. Form TSP-25 will be enclosed with the Welcome Letter, available for download from the TSP website, available from the ThriftLine, and from our participant service representatives. The TSP will process these requests for those participants who have made contributions under the automatic enrollment program and whose requests are timely. To be considered timely, a request for a refund of contributions must be received by the refund deadline date provided in the Welcome Letter. The request will be honored even if the participant makes an election to terminate contributions, changes his or her TSP contribution election, or separates from Federal service.

a. Under rules mandated by the Internal Revenue Service (IRS), a new 90-day refund period is not allowed for rehired participants who are once again automatically enrolled in the TSP unless one full calendar year (January through December) has passed since the participant's last automatic enrollment contribution. The subsequent refund opportunity is not dependent upon whether the participant received a refund from his or her prior period of employment. The TSP Welcome Letter provided to rehired participants by the TSP will include information regarding subsequent eligibility for a refund after rehire along with the participant's refund deadline date (which may be the previous date). If one full calendar year has passed since the participant's last automatic enrollment contribution, the Welcome Letter will include a new refund deadline date.

(3) Consistent with the IRS regulation governing automatic enrollment programs, the Agency Matching Contributions associated with the refunded employee contributions, as well as their associated earnings, must be forfeited to the TSP. (See 72 Fed. Reg. 63144, 63148.) Agencies should not submit Negative Adjustment (26) Records to remove the Agency Matching Contributions associated with the refunded employee contributions. The Agency Automatic (1%) Contributions will remain in the participant's TSP account when the refund is paid.

PAMELA-JEANNE MORAN
Director
Office of Participant Services

Attachments: Sample letter – FERS New/Rehire
Sample letter – CSRS Rehire
Form TSP-1, Election Form
Form TSP-25, Request for an Automatic Enrollment Refund

Please note the information in **[square brackets]** must be furnished by the agency as indicated. Instructions to the agency are set forth in **{curly brackets}**. A text copy of this letter can be found under the Information for Agency/Service Representatives/TSP Resources/Historical Information section of the TSP website.

SAMPLE LETTER FOR FERS NEW HIRE/REHIRE

Congratulations on your **[appointment/reappointment]** with **the [name of agency]**. This position is covered by the Federal Employees' Retirement System (FERS) **[agencies with a FERS equivalent system insert name instead, i.e. FSRDS]**, and as a result you have been automatically enrolled in the Thrift Savings Plan (TSP). The TSP is a retirement savings and investment plan for Federal employees and is similar to "401(k)" plans available to many private sector employees. The purpose of the TSP is to provide you the opportunity to participate in a long-term retirement savings and investment plan. The TSP is one of the three parts of the FERS **[or agency equivalent]** retirement program. (The FERS Basic Annuity and Social Security are the other two parts.)

Automatic Enrollment

The amount of your automatic contribution to the TSP is 3% of your basic pay which will be deposited into your TSP account every pay period. These contributions are deducted from your pay and are tax-deferred for purposes of Federal and, in most cases, state income tax. In addition, the **[name of agency]** will deposit Agency Matching Contributions equal to your 3% deposit. Plus you also receive an Agency Automatic (1%) Contribution that is equal to 1% of your basic pay. All totaled with your contributions and those from **[name of agency]**, the equivalent of 7% of your basic pay will be deposited into your TSP account each pay period. This is a good start toward saving for retirement; however, you can easily increase the amount of your contributions and receive additional Agency Matching Contributions, making your retirement savings grow even faster. See the paragraphs, Employee Contributions and Agency Matching Contributions.

Stop Automatic Enrollment

However, if you do not wish to contribute to your TSP account you can request to stop the automatic enrollment process. To stop the automatic enrollment process before any contributions are deducted from your pay, you must complete Form TSP-1, Election Form, and immediately turn it in during your in-processing **[agencies may also have a deadline date within the first pay period and should provide that date to the employee in this letter]**. If you stop your contributions, you are not eligible to receive Agency Matching

Contributions. You will still receive the Agency Automatic (1%) Contributions. Also, it is possible that payroll may not be able to stop your first contribution to the TSP. If this happens, you can leave the contribution in your TSP account or you can make a request to the TSP to return your contribution. To request a refund of your contribution, read the paragraph titled Refund of Automatic Enrollment Contributions.

Rehired with a break in service of 30 days or less

If you are rehired or transferred into a position covered by FERS **[or another agency equivalent, i.e. FSPS]** and your break in service from your last covered position is 30 days or less, the **[agency name]** will reinstate your prior TSP election. You will not become automatically enrolled in the TSP; however, you may change or stop your TSP election, and if you were not previously contributing, you may choose to elect to contribute to the TSP at any time.

Employee Contributions

You may elect to increase, decrease, or stop your contributions to your TSP account at any time. To make a contribution election, complete the **[attached]** Form TSP-1, Election Form, and return it to **[insert office name]** by **[insert date]**. **{If employees may, or must, make electronic contribution elections, revise this sentence accordingly.}** You may specify a whole percentage of basic pay that you want to contribute each pay period, or you may specify a whole dollar amount. Whether you specify a percentage or dollar amount of your pay, your total contributions for the year cannot exceed the Internal Revenue Code's elective deferral limit for the year.

The limit for **[insert year]** is $**[insert maximum IRC elective deferral limit]**. Your contribution election will remain in effect until you make another election to change the amount of your contributions or to stop them. You should consider increasing your contributions to at least 5% of your basic pay each pay period during the year in order to receive all of the Agency Matching Contributions for which you are eligible. If you reach the IRC limit before the end of the year, the TSP cannot accept additional contributions and as a result you will not receive the Agency Matching Contributions for the remaining pay dates in the year. The TSP has a calculator on its website (www.tsp.gov) under Planning for Retirement to assist you in maximizing your employee and Agency Matching Contributions each year.

Agency Contributions

Because you have been automatically enrolled in the TSP, effective your first pay period, the **[insert agency name]** will begin making Agency Matching Contributions to your TSP account. Even if you stop contributing your own money, the **[name of agency]** will make Agency Automatic (1%) Contributions that will equal 1% of the basic pay you earn for the pay period. If you are making Employee Contributions, you will also begin receiving Agency Matching Contributions to your TSP account. The first 3% of pay that you contribute each pay period will be matched dollar for dollar, and the next 2% that you contribute will be matched 50 cents on the dollar.

As a result of your automatic enrollment, you are contributing 3% of your pay and receiving Agency Matching Contributions of 3%. However, if you increase your employee contributions to 5% you will then receive Agency Matching Contributions of 4% each pay period. This means the equivalent of 10% of your basic pay will be saved toward your retirement each pay period (5% your Employee Contribution + 4% Agency Matching Contributions + 1% Agency Automatic Contribution = **10%** in your TSP account). Your agency contributions will also be invested according to your contribution allocation on file with the TSP on the date the contributions are posted to your account.

<u>Catch-up Contributions</u>

If you are age 50 or older or will turn age 50 by the end of this year, you may make an additional election to contribute catch-up contributions. This is a separate election that will request your agency to deduct additional tax-deferred TSP contributions from your pay. To make catch-up contributions, complete the **[attached]** Form TSP-1-C, Catch-up Contribution Election Form, and return it to **[insert office name]**. **{If employees may, or must, make electronic catch-up contribution elections, revise this sentence accordingly and provide the employee with instructions on how to make this TSP election.}** You must elect a whole dollar amount from your basic pay each pay date.

The maximum amount you may contribute in catch-up contributions for **[insert year]** is $**[insert maximum catch-up for the year]**. This amount of tax-deferred contributions is in addition to the amount you may contribute through the regular TSP election discussed in the paragraph above. You will not receive Agency Matching Contributions on the amount you elect to contribute through catch-up contributions. Your catch-up contribution election will remain in effect either until you make another election to change the amount of or stop your contributions, or until the last pay date of the calendar year. You must make a new election to contribute catch-up contributions each year.

<u>Refund of Automatic Enrollment Contributions</u>

You may request a refund of the employee contributions that were deducted from your pay during the first 90 days that you were automatically enrolled. To do so, you must send Form TSP-25, Automatic Enrollment Refund Request, which you will receive with your Welcome Letter from the TSP. Your properly completed Form TSP-25 must be returned to the TSP using the address on the form and must be received by the TSP no later than the date provided in the TSP Welcome Letter. Do NOT return the form to **[name of agency]**. Make sure you read the directions on Form TSP-25 as well as the instructions in the TSP Welcome Letter.

If you were previously employed by the Federal Government and were automatically enrolled, you are not eligible for a refund of the automatic enrollment contributions for subsequent periods, unless one full calendar year (January through December) has passed since your last automatic enrollment contribution (visit the TSP website for more details). The amount of your refund will be your automatically withheld employee contributions and any gains or losses from the performance of your investment(s). Although the Agency Automatic (1%) Contributions and their earnings will remain in your TSP account; you will forfeit any Agency Matching Contributions and their earnings. Also, requesting a refund of your automatic enrollment contributions will not stop future contributions from being deducted from your pay. You must complete Form TSP-1, Election Form, and return it to **[insert office name]**. **{If employees may, or must, make electronic contribution elections, revise this sentence accordingly.}**

<u>Establishing Your TSP Account</u>

Your TSP account will be established when the **[name of agency]** submits your first contributions. Once your account is established, the TSP will send three separate mailings to you: (1) a TSP Welcome Letter which includes your TSP account number, (2) your TSP Web password, and (3) your ThriftLine Personal Identification Number (PIN). Along with your Welcome Letter, you will receive the TSP booklet *Managing Your Account*, which provides valuable information on TSP investment options, making a contribution allocation, requesting an interfund transfer, and how to designate beneficiaries. If you already have an established TSP account from previous Federal service, and you did not withdraw all of your money while you were separated, you will receive the Welcome Letter only. You should continue to use the PIN and password originally mailed to you. If you have forgotten or misplaced them, use the TSP website or ThriftLine to request new ones. If you withdrew your entire balance while separated, you will receive the Welcome Letter and a new PIN and password. If you have or had a TSP uniformed services account, your Federal civilian account is a separate account and you will receive all of the above mailings.

<u>Contribution Allocations</u>

Your first contribution will be invested in the Government Securities Investment (G) Fund. After receiving your TSP Welcome Letter, you may invest your contributions in any of the 10 TSP funds by requesting a contribution allocation. You cannot request a contribution allocation until your TSP account has been established. The information to request a contribution allocation will be provided with your TSP Welcome Letter. **Note:** If you have an existing TSP account balance from previous Federal civilian service, your contributions will be invested using your last contribution allocation on file with the TSP.

Interfund Transfers

You can redistribute your TSP account balance among the 10 TSP funds by requesting an interfund transfer. You will not be able to request an interfund transfer until your TSP account has been established. The instructions to request an interfund transfer will be provided with your TSP Welcome Letter.

Additional Information

To find additional information about the TSP, visit the TSP website at www.tsp.gov. If you have any questions about the TSP and your participation, contact **[insert agency contact and other information, as appropriate]**.

Please note the information in **[square brackets]** must be furnished by the agency as indicated. Instructions to the agency are set forth in **{curly brackets}**. A text copy of this letter can be found under the Information for Agency/Service Representatives/TSP Resources/Historical Information section of the TSP website.

SAMPLE LETTER FOR CSRS REHIRE/TRANSFER

Congratulations on your reappointment to a position covered by the Civil Service Retirement System (CSRS) **[agencies with a CSRS equivalent system insert name instead, i.e. FSRDS].** As a result, you have been automatically enrolled in the Thrift Savings Plan (TSP). The TSP is a retirement savings and investment plan for Federal employees and is similar to 401(k) plans available to many private sector employees. The purpose of the TSP is to provide you the opportunity to participate in a long-term retirement savings and investment plan and is a supplement to your CSRS annuity.

Rehired with a break in service of 30 days or less

If you are rehired or transferred into a position covered by CSRS **[or another agency equivalent, i.e. FSRDS]** and your break in service from your last covered position is 30 days or less, the **[agency name]** will reinstate your prior TSP election. You will not become automatically enrolled in the TSP (as described in the next paragraph); however, you may change or stop your TSP election, and if you were not previously contributing, you may choose to elect to contribute to the TSP at any time.

Automatic Enrollment (Rehired with more than a 30-day break in service)

The amount of your automatic contribution to the TSP is 3% of your basic pay which will be deposited into your TSP account every pay period. These contributions are deducted from your pay and are tax-deferred for purposes of Federal and, in most cases, state income tax. This is a good start toward saving additional money for retirement; however, you can easily increase the amount of your contributions, making your retirement savings grow even faster. See the paragraph, Employee Contributions.

Stop Automatic Enrollment

If you do not wish to contribute to your TSP account, you can request to stop the automatic enrollment process. To stop the automatic enrollment process before any contributions are deducted from your pay, you must complete Form TSP-1, Election Form, and immediately turn it in during your in-processing

[agencies may also have a deadline date within the first pay period and should provide that date to the employee in this letter]. However, it is possible that payroll may not be able to stop your first contribution to the TSP. If this happens, you can leave the contribution in your TSP account or you can make a request to the TSP to return your contribution. To request a refund of your contribution, read the paragraph, Refund of Automatic Enrollment Contributions.

<u>Employee Contributions</u>

You may elect to increase, decrease, or stop your contributions to your TSP account at any time. To make a contribution election, complete the **[attached]** Form TSP-1, Election Form, and return it to **[insert office name]** by **[insert date]**. **{If employees may, or must, make electronic contribution elections, revise this sentence accordingly.}** You may specify a whole percentage of basic pay that you want to contribute each pay period, or you may specify a whole dollar amount. Whether you specify a percentage or dollar amount of your pay, your total contributions for the year cannot exceed the Internal Revenue Code's elective deferral limit for the year. The limit for **[insert year]** is $ **[insert maximum IRC elective deferral limit]**. Your contribution election will remain in effect until you make another election to change the amount of your contributions or to stop them.

<u>Catch-up Contributions</u>

If you are age 50 or older or will turn age 50 by the end of this year, you may make an additional election to contribute catch-up contributions. This is a separate election that will request your agency to deduct additional tax-deferred TSP contributions from your pay. To make catch-up contributions, complete the **[attached]** Form TSP-1-C, Catch-up Contribution Election Form, and return it to **[insert office name]**. **{If employees may, or must, make electronic catch-up contribution elections, revise this sentence accordingly and provide the employee with instructions on how to make this TSP election.}** You must elect a whole dollar amount from your basic pay each pay date.

The maximum amount you may contribute in catch-up contributions for **[insert year]** is $ **[insert maximum catch-up for the year]**. This amount of tax-deferred contributions is in addition to the amount you may contribute through the regular TSP election discussed in the paragraph above. Your catch-up contribution election will remain in effect either until you make another election to change the amount of or stop your contributions, or until the last pay date of the calendar year. You must make a new election to contribute catch-up contributions each year.

<u>Refund of Automatic Enrollment Contributions</u>

You may request a refund of the employee contributions that were deducted from your pay during the first 90 days that you were automatically enrolled. To do so, you must send Form TSP-25, Automatic Enrollment Refund Request, which you will receive with your Welcome Letter from the TSP. Your properly completed Form TSP-25 must be returned to the TSP using the address on the form and must be received by the TSP no later than the date provided in the TSP Welcome Letter. Do NOT return the form to **[name of agency]**. Make sure you read the directions on Form TSP-25 as well as the instructions in the TSP Welcome Letter.

If you were previously employed by the Federal Government and were automatically enrolled, you are not eligible for a refund of the automatic enrollment contributions for subsequent periods, unless one full calendar year (January through December) has passed since your last automatic enrollment contribution (visit the TSP website for more details). The amount of your refund will be your automatically withheld employee contributions and any gains or losses from the performance of your investment(s). Also, requesting a refund of your automatic enrollment contributions will not stop future contributions from being deducted from your pay. You must complete Form TSP-1, Election Form, as described below and return it to **[insert office name]**. **{If employees may, or must, make electronic contribution elections, revise this sentence accordingly.}**

Establishing Your TSP Account

Your TSP account will be established when the [name of agency] submits your first contribution. Once your account is established, the TSP will send three separate mailings to you: (1) a TSP Welcome Letter which includes your TSP account number, (2) your TSP Web password, and (3) your ThriftLine Personal Identification Number (PIN). Along with your Welcome Letter, you will receive the TSP booklet *Managing Your Account*, which provides valuable information on TSP investment options, making a contribution allocation, requesting an interfund transfer, and how to designate beneficiaries. If you already have an established TSP account from previous Federal service, and you did not withdraw all of your money while you were separated, you will receive the Welcome Letter only. You should continue to use the PIN and password originally mailed to you. If you have forgotten or misplaced them, use the TSP website or ThriftLine to request new ones. If you withdrew your entire balance while separated, you will receive the Welcome Letter and a new PIN and password. If you have or had a TSP uniformed services account, your Federal civilian account is a separate account and you will receive all of the above mailings.

Contribution Allocations

Your first contribution will be invested in the Government Securities Investment (G) Fund. After receiving your TSP Welcome Letter, you may invest your contributions in any of the 10 TSP funds by requesting a contribution allocation. You cannot request a contribution allocation until your TSP account has been established. The information to request a contribution allocation will be provided with your TSP Welcome Letter. **Note:** If you have an existing TSP account balance from previous Federal civilian service, your contributions will be invested using your last contribution allocation on file with the TSP.

Interfund Transfers

You can redistribute your TSP account balance among the 10 TSP funds by requesting an interfund transfer. You will not be able to request an interfund transfer until your TSP account has been established. The instructions to request an interfund transfer will be provided with your TSP Welcome Letter.

Additional Information

To find additional information about the TSP, visit the TSP website at www.tsp.gov. If you have any questions about the TSP and your participation, contact **[insert agency contact and other information, as appropriate**

THRIFT SAVINGS PLAN
ELECTION FORM

TSP-1

Use this form to start, stop, or change the amount of your contributions to the Thrift Savings Plan (TSP).

Before completing this form, please read the *Summary of the Thrift Savings Plan* and the instructions on the back of this form. Type or print all information. **Return the completed form to your agency personnel or benefits office.** Your agency should return a copy to you after completing Section V.

Note: To choose your investment funds, see the instructions in the General Information section on the back of this form.

I. INFORMATION ABOUT YOU

1. ______________________________
Name *(Last)* *(First)* *(Middle)*

2. ______________________________
Street Address City State Zip Code

3. ________ – ________ – ________
Social Security Number

4. (______) ________ – ________
Daytime Phone *(Area Code and Number)*

5. ______________________________
Office Identification *(Agency and Organization)*

II. START OR CHANGE YOUR CONTRIBUTIONS

To start or change the amount of your contributions to your TSP account, enter **either** a whole percentage of your basic pay per pay period (Item 6) **or** a whole dollar amount per pay period (Item 7). Skip to Section IV.

6. ________.0% **OR** **7.** $________.00

III. STOP YOUR CONTRIBUTIONS

To stop your contributions to the TSP, check Item 8 and complete Section IV. (If you are a Federal Employees' Retirement System (FERS) employee, your Agency Matching Contributions will stop, but Agency Automatic (1%) Contributions will continue. Read the instructions on the back.)

8. ☐ I choose not to save for my retirement. Please stop my payroll contributions to my TSP account.

Your payroll contributions will stop no later than the first full pay period after your agency employing office receives this form. If you are a newly hired (or rehired) employee, you can generally stop your automatic employee contributions before they start if you submit this form to your agency before the end of your first full pay period. (See note on back.)

IV. SIGNATURE

9. ______________________________
Participant's Signature

10. ____/____/________
Date Signed *(mm/dd/yyyy)*

V. FOR EMPLOYING OFFICE USE ONLY

11. ______________________________
Payroll Office Number

12. ____/____/________
Receipt Date *(mm/dd/yyyy)*

13. ____/____/________
Effective Date *(mm/dd/yyyy)*

14. ______________________________
Signature of Agency Official

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 start, change, or stop your TSP contributions. 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.

ORIGINAL TO PERSONNEL FOLDER
Provide a copy to the employee and to the payroll office.

INFORMATION AND INSTRUCTIONS

GENERAL INFORMATION

You may start, stop, or change your contributions at any time. Your TSP election will stay in effect until you submit another election or until you leave Federal service. (This form only applies to regular contributions. If you are age 50 or older and want to make or change catch-up contributions, use Form TSP-1-C, Catch-Up Contribution Election.)

Important note for new TSP participants: All contributions to your account will be invested in the Government Securities Investment (G) Fund until you direct the TSP to allocate your contributions differently. The TSP publication *Summary of the Thrift Savings Plan* describes all of your investment choices and discusses their risks and advantages. For more information, you can also obtain a copy of the TSP Fund Information sheets. (The most current versions of TSP forms and publications are available on the TSP website at www.tsp.gov.)

To choose your investment fund(s), use the TSP website (www.tsp.gov), the ThriftLine at 1-TSP-YOU-FRST (1-877-968-3778; outside the U.S. and Canada, call 404-233-4400), or Form TSP-50, Investment Allocation, which you can obtain from your agency or by calling the ThriftLine. If you use the ThriftLine, you will need your TSP account number and your 4-digit ThriftLine Personal Identification Number (PIN). If you use the TSP website, you will need your TSP account number (or user ID) and 8-character Web password. If you are a new participant, your TSP account number, ThriftLine PIN, and Web password will be mailed to you (separately) after your account has been established. If, as a new participant, you choose to submit Form TSP-50, do **not** do so until you receive a letter from the TSP confirming that your new account has been established. If your account has not been established, your request will not be processed.

If you change your address, notify your **agency** immediately so that your agency can correct your records for your TSP account.

SECTION I

Complete all items in this section.

SECTION II

Complete this section to start your TSP contributions or to change the amount you are contributing to the TSP. Complete **either** Item 6 **or** Item 7.

Item 6, Percentage of Basic Pay per Pay Period. You may contribute up to the Internal Revenue Code (IRC) annual elective deferral limit ($16,500 in 2010). Since the elective deferral limit may be adjusted annually for inflation, check the TSP website for the most current information. If you specify a percentage, your contribution amount will automatically increase when you receive a pay raise.

Item 7, Dollar Amount per Pay Period. The dollar amount you contribute cannot exceed the annual elective deferral limit for the year. You can contribute as little as $1 per pay period. If you specify a dollar amount, it will not change until you submit a new Form TSP-1.

SECTION III

Complete this section to stop your contributions. You may restart your contributions at any time.

FERS employees: Your Agency Automatic (1%) Contributions will continue after you stop your employee contributions, but you will no longer receive valuable Agency Matching Contributions. (If you restart your contributions, the Matching Contributions will resume.) You may change the way your Agency Automatic (1%) Contributions are invested even if you are not contributing to your account. You can use the TSP website, the ThriftLine, or Form TSP-50, as described in “General Information” above.

Note for newly hired or rehired FERS or CSRS employees: As a new employee, your agency automatically deducts 3 percent of your pay, tax deferred, and deposits the money in your TSP account for your retirement savings. You can stop your automatic employee contributions before they start if you submit this form to your agency before the end of your first full pay period, subject to your agency’s processing deadlines. If your agency has already begun to deduct your automatic employee contributions from your pay each pay period, you are entitled to request a refund of your initial contributions by submitting Form TSP-25, Automatic Enrollment Refund Request. The TSP must receive this form within 90 days of your first contribution.

SECTION IV

You must complete this section.

SECTION V

(To be completed by personnel or benefits office)

In Item 12, enter the receipt date. This is the date that a **properly completed** form is received by the agency personnel office. If the form has not been properly completed, it should be returned to the employee.

In Item 13, enter the effective date of the election. Requests must be processed immediately for new and rehired employees who want to stop automatic enrollment before it begins. This will help avoid a payroll deduction that may have to be refunded. Other elections should be made effective no later than the first full pay period after receipt of a properly completed form.

You should provide the participant with a copy of this completed election for his or her records.

THRIFT SAVINGS PLAN

AUTOMATIC ENROLLMENT REFUND REQUEST

TSP-25

Complete this form to request a refund of the contributions to your TSP account (and their earnings) that were deducted from your pay due to automatic enrollment. The TSP must receive this form no later than 90 days from the date of your first contribution. (Submit Form TSP-1 to your agency to **stop** your automatic contributions.)

I. INFORMATION ABOUT YOU

1. Last Name | First Name | Middle Name

2. TSP Account Number

3. ___ / ___ / 1 9 __ Date of Birth *(mm/dd/yyyy)*

4. Daytime Phone *(Area Code and Number)*

5. ☐ Foreign address? Check here.

6. Street Address or Box Number **(For a foreign address, see instructions on back.)**

Street Address Line 2

7. City

8. State

9. Zip Code ____ – ____

II. TAX WITHHOLDING — **This section is optional.** The IRS requires the TSP to withhold 10% of your refund for Federal income tax. You can waive withholding by checking the box at the end of the first statement below **or** request additional withholding by providing the additional amount after the second statement.

10.
- Do not withhold Federal income tax on my refund. ☐ **OR**
- Withhold this **additional** amount for Federal income tax: **$** __ , ___ **.00**

III. DIRECT DEPOSIT INFORMATION — Complete this section **only if** you want direct deposit to your checking or savings account.

11. Type of Account:
- ☐ Checking
- ☐ Savings

12. Name of Financial Institution

13. ACH Routing Number *(Must be 9 digits)*

14. Checking or Savings Account Number

IV. CERTIFICATION AND NOTARIZATION — I certify that the information I have provided in this refund 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 or imprisonment for as long as 5 years, or both (18 U.S.C. §1001).

15. Participant's Signature

16. ___ / ___ / 2 0 __ Date Signed *(mm/dd/yyyy)*

17. **Notary: Please complete the following. No other acknowledgement is acceptable (see instructions).**

The person who signed Item 15 is known to or was identified by me and, before me, signed or acknowledged to have signed this form. In witness thereof, I have signed below on this ______ day of ____________ , 20________ .

Month Year

My commission expires: ____________ Date *(mm/dd/yyyy)*

Notary's Signature

Notary's Printed Name

( ) Notary's Phone Number

[seal]

Jurisdiction

Do Not Write Below This Line

FORM TSP-25 (8/2010)

* P I I S 0 0 2 3 3 4 0 1 2 0 0 0 0 0 0 0 0 P I I S *

GENERAL INFORMATION AND INSTRUCTIONS

Federal employees who have been automatically enrolled in the TSP may use this form to request a refund of those contributions attributable to the automatic enrollment. Your request must be made within 90 days of your first automatic enrollment contribution. Your refund deadline date may be found in the welcome letter sent to you by the TSP or you may contact the TSP using the ThriftLine number at the end of these instructions.

Refunds include automatic enrollment employee contributions, as well as accrued earnings. The TSP will only refund your employee contributions associated with the automatic enrollment period.

Important Note: If you are a FERS employee, when the refund is paid, Agency Matching Contributions (including earnings) associated with the refunded contributions will be forfeited to the TSP. Agency Automatic (1%) Contributions will remain in your TSP account.

Rehired Participants. Under the Internal Revenue Service (IRS) rules for rehires, the refund deadline established during your first automatic enrollment period remains in effect unless you have satisfied a waiting period of one full calendar year (January through December) since your last automatic enrollment contribution. Refer to the welcome letter you received when your TSP account was established for the date of your 90-day refund period. If you have passed that date, you are no longer eligible for a refund. If you are within that 90-day refund period, you can use this form to request a refund, but only of the automatic employee contributions from your latest period of employment.

Separated Participants. If you separate from service within the first 90 days of becoming automatically enrolled, and your balance is $200 or more, you can request a refund of your automatic enrollment contributions or a withdrawal from your account:

> **CSRS Participants.** Use this form to request your refund. You'll receive your own contributions (and earnings), there will be 10% withholding for Federal income tax, and you'll pay no tax penalty.
>
> **FERS Participants.** You can use Form TSP-70, Request for Full Withdrawal, instead of this form to obtain your refund. You'll receive your own contributions (and earnings) and all Agency Matching Contributions (and earnings). There will be 20% tax withholding and you may be subject to the 10% IRS early withdrawal tax penalty. You will forfeit your Agency Automatic (1%) Contributions, unless you were "vested" (entitled to keep them).

Before completing your refund request, you should read the booklet *Summary of the Thrift Savings Plan* and the TSP tax notice "Important Tax Information About Payments From Your TSP Account." You can download these materials from the TSP website (www.tsp.gov) or ask your agency for a copy.

Section I. Complete Items 1-9. If you are currently employed, the TSP will mail your refund to the address on file in your TSP account. To update your mailing address, you must contact your employing agency. If you are separated from Federal service, the address provided on this form will be used to update your TSP account and pay the refund to you.

If you have a foreign address, check the box in Item 5 and enter the foreign address as follows in Items 6 – 7:

First address line: Enter the street address or post office box number, and any apartment number.

Second address line: Enter the city or town name, other principal subdivision (e.g., province, state, county), and postal code, if known. (The postal code should precede the city or town.)

City/State/Zip Code fields: Enter the entire country name in the City field; leave the State and Zip Code fields blank.

If you use an **Air/Army Post Office (APO) or Fleet Post Office (FPO)** address, enter that address in the two available address lines (include the unit designation). Enter APO or FPO, as appropriate, in the City field. In the State field, enter AE as the state abbreviation for Zip Codes beginning with 090-098, AA for Zip Codes beginning with 340, and AP for Zip Codes beginning with 962-966. Then enter the appropriate Zip Code.

Section II. This section is optional. You may request a waiver of the automatic 10% withholding for Federal income tax by checking the box after the first statement in Item 10, **or** you may request additional withholding for Federal income tax by filling in the amount you want withheld in the boxes provided after the second statement in Item 10. The refund paid is considered ordinary income earned in the year paid to you. It is not subject to the IRS 10% early withdrawal penalty tax. Read the TSP tax notice "Important Tax Information About Payments From Your TSP Account" for detailed tax rules.

Section III. Complete this section only if you want the TSP to send your refund directly to your checking or savings account by means of a direct deposit (electronic funds transfer (EFT)). Provide all of the requested information in this section. If you do not know the 9-digit ACH Routing Number or your checking or savings account number, contact your financial institution for this information. Direct deposits will be made only to financial institutions in the United States.

Section IV. Read the certification carefully and sign and date the form. By signing the certification, you are certifying that the information you have provided is true and complete to the best of your knowledge. Your signature (Item 15) must also be notarized (Item 17); otherwise, your request cannot be processed. Because the form will be filed with a Federal agency in Washington, D.C., the notary must complete the notarization in Item 17. No other acknowledgement is acceptable.

After completing your refund request, make a copy for your records.

Mail the original to:

> **Thrift Savings Plan**
> **P.O. Box 385021**
> **Birmingham, AL 35238**

Or fax to: 1-866-817-5023

Note: Do **not** mail **and** fax your request. The TSP will automatically cancel the second request it receives. If you need to make a change or correction on your form, call the TSP to cancel your first request.

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).