

Thrift Savings Plan (TSP)

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What is TSP?

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. Congress established the TSP in the Federal Employees Retirement System (FERS) Act of 1986. The TSP offers Federal employees the same type of savings and tax benefits that many private corporations offer their employees under "401(k)" plans.

The TSP is a defined contribution plan. The retirement income that you receive from your TSP account will depend on how much you (and the agency, for FERS employees) have contributed to the TSP account during your working years, plus the earnings on those contributions. The earlier you begin to contribute, the better off you could be.

Who is Eligible to Contribute to TSP?

Employees who are covered by the Federal Employees Retirement System (FERS) and Civil Service Retirement System (CSRS) as well as members of the Uniformed Services can participate in the TSP. FERS employees are generally those hired on or after 01-01-1984. CSRS employees are generally those hired before that date who did not convert to FERS. TSP benefits are in addition to your FERS or CSRS annuity.

If you are a FERS or CSRS employee, you can participate in the TSP regardless of whether you work full time or part time. If you do not know your retirement coverage, contact your personnel office.

If you are a FERS employee:

You can elect to contribute to or stop contributing to the TSP at any time. If you were hired after August 1, 2010, you were automatically enrolled into TSP at 3% of your basic pay. You may elect to contribute any dollar amount or percentage (1% to 100%) of your basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit, which is \$19,000 for 2019.

FERS employees are also eligible for Agency matching to their TSP. The Federal Government will contribute to your TSP account each pay period, an amount equal to 1% of your basic pay. This is called the agency automatic 1% contribution, and happens regardless of whether you contribute your own money or not. In addition, FERS employees who contribute up to 5% of their own money

will receive agency matching contributions. The first 3% of pay contributed is matched dollar-for-dollar; the next 2% is matched at 50 cents on the dollar. Thus, the full agency match is 4%, for a total agency contribution of 5% when the agency automatic 1% is added in. Any amount a FERS employee contributes over 5% is not matched. However, the entire amount contributed is in "before-tax" dollars if contributing to Traditional TSP, reducing your taxable income.

TSP is an integral part of a FERS retirement package, along with the FERS basic annuity and Social Security. If you stop making regular employee contributions to TSP, or if you reach the Internal Revenue Service (IRS) annual maximum before the end of the year, agency matching contributions will stop. You will, however, continue to receive the agency automatic 1% contribution.

If you are a CSRS/CSRS Offset employee:

You can elect to contribute to or stop contributing to the TSP at any time. If you were rehired after August 1, 2010, you were automatically enrolled into TSP at 3% of your basic pay. You may elect to contribute any dollar amount or percentage of basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit which is \$19,000 for 2019. Unfortunately, CSRS/CSRS Offset employees do not receive any agency automatic (1%) or matching contributions.

How Do I Enroll in TSP?

Contributions can be made in either a whole dollar amount or a percentage of basic pay up to 100%. Keep in mind that if the election is for a percentage of pay and the amount is more than the remaining salary after mandatory deductions (such as Federal income tax and TSP loan payments) and other voluntary deductions that occur ahead of TSP contributions, then the resulting pay will be the amount withheld and contributed to your TSP account. If the election is a whole dollar amount and it is greater than the remaining salary, then no employee contributions will be made for that pay period, and FERS employees will not receive Agency Matching Contributions for that pay period. Should this happen, you should submit a new election and elect a lower percentage or dollar amount. No TSP contributions will be withheld until a new election is effective. The new election will not be applied retroactively.

Once you are ready, you can process your election through [GRB Platform](#). If you need assistance, please contact a Benefits Specialist by calling DSN: 520-2222, commercial: (785) 240-ABCC (2222), or toll free: (877) 276-9287.

If you are a new employee or have never contributed, the TSP will mail you an account number, an initial Web password, and a PIN for use in accessing your TSP account. Once you have your login information, you can access your TSP account to view your account balance, transfer your money and change your contribution allocations between the different investment funds. Account information and fund allocations are available on the [TSP website](#). Information on the individual funds and their rates of return are also available on the TSP website.

When Do I Enroll in TSP?

There are no Open Seasons for TSP so elections to start, change, stop, or resume contributions can be done at any time. Once elections to contribute to TSP are submitted, contributions will **continue automatically from year to year** (unless you make an election to stop your contributions).

Your elections are always effective the first day of the pay period after the election is made. This is especially important if you are planning on contributing the Internal Revenue Service (IRS) maximum. The IRS bases the annual contributions on when the money is **received**. Therefore, the first pay check in January is considered the first contribution for that year. If you wish to contribute the IRS maximum, keep in mind that paychecks are two weeks behind (one week behind for DCMA and Air National Guard employees) and that an election is effective the first day of the following pay period. In order to make a change effective on that first paycheck in January, an election will need to be made in November/December depending upon your payroll office and the pay calendar.

We provide [TSP Charts](#) every year, which have the dollar amount that you would need to contribute each pay period to reach the maximum annual TSP contributions. The maximum contribution amount for 2019 is \$19,000. These charts are not valid if you have already made contributions during the year. If you need assistance calculating the amount of contribution to elect, a Benefits Specialist is available for assistance from 0700 to 1700 (CT) Monday - Thursday at DSN: 520-2222, commercial: (785) 240-ABCC (2222), or toll free: (877) 276-9287.

What is TSP Catch-Up?

TSP Catch-Up (TSPC) contributions are additional tax-deferred contributions to TSP accounts for eligible employees. They are **not** the same as regular TSP contributions and are in addition to regular contributions.

If you are a CSRS/CSRS Offset or FERS employee, you are eligible to make Catch-Up contributions if you meet the following requirements:

- Currently employed and in a pay status
- Turning age 50 or older in the calendar year during which catch-up contribution deductions begin
- Contributing the maximum allowed to your regular TSP account or an amount that will cause you to reach the Internal Revenue Service (IRS) annual maximum by the end of the calendar year. (This includes situations where you are contributing -- or might have contributed -- to a civilian or uniformed services TSP account (or both) or another eligible employer plan (e.g., another 401(k) plan). In such a case, if the combined contributions will cause you to reach the annual IRS maximum, you will be eligible to make TSPC contributions)

You cannot make Catch-Up contributions by increasing contributions to your TSP account. TSPC contributions are separate from regular TSP contributions. If you meet the eligibility requirements listed above, you must complete a **separate** enrollment for TSPC contributions each year. TSPC enrollments do **NOT** continue automatically from year to year.

The maximum amount employees can contribute to TSP in 2019 is \$19,000 for regular contributions and \$6,000 for TSPC contributions. TSP and TSPC contributions can be started, changed or stopped at any time. Be aware that if the amount elected exceeds the amount of net pay for a particular pay period, no regular TSP or TSPC deductions will be taken for that pay period. Employees may also receive an extremely small pay check if an election for a large contribution is made in error. Please ensure the election showing is the amount of money per pay period that you

wish to contribute. If you do not intend on contributing the maximum of \$19,000 to your TSP account for 2019, you are not eligible to contribute to TSPC.

If you desire to reach the maximum of \$6,000 during 2019, you can use our [TSP Charts](#) to assist you. Once you are ready to make your TSPC election, you can process it through [GRB Platform](#). If you need assistance calculating the amount of contribution to elect, a Benefits Specialist is available for assistance from 0700 to 1700 (CT) Monday - Thursday at (877) 276-9287, (785) 240-2222 or by DSN at 520-2222.

What is TSP Make-Up?

TSP Make-Up (TSPM) is for civilian employees called to active duty who are reemployed or restored to civilian employment in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 (38 U.S.C. Chapter 43). It allows you to "make-up" missed contributions to your civilian TSP account for the period of time you were performing active duty.

You are eligible to make-up missed TSP contributions if you meet all of the following conditions:

- You were placed in Absent-US or separated from Federal civilian service to perform military service
- You were released from military service on or after 08-02-1990
- You were reemployed in or restored to a position covered by CSRS or FERS

If you contributed to TSP during your period of military service, the amount you can make-up will be reduced by the amount you contributed to your military TSP account. Your make-up contributions will not count against the current year's IRS limit. You will **NOT** receive lost earnings on your make-up employee contributions. However, you are entitled to lost earnings on the make-up agency contributions.

If you are a FERS employee, you will receive agency matching contributions as you make-up your employee contributions. In addition, if you contributed to your military TSP account, you are entitled to agency matching contributions to be made to your civilian TSP account, based on your contributions from your military **basic pay** received while on active duty. You will receive agency automatic 1% contributions for the entire period you were on military duty, regardless of whether or not you make-up employee contributions.

National Guard: If you want to apply and make TSP Make-up contributions, you will need to submit the [Employee Request for TSP Make-up Contributions](#) request, along with your DD 214(s) or military orders, and your Military Leave and Earnings Statements (LESs) to verify your TSP contributions while on active duty. Submit your request form and documentation to your State HR Office for processing.

Army / DCMA: If you want to apply and make TSP Make-up contributions, you will need to submit the [Employee Request for TSP Make-up Contributions](#) request, along with your DD 214(s) or military orders, and your Military Leave and Earnings Statements (LESs) to verify your TSP contributions while on active duty. Mail your request form and documentation to the:

- **Army Benefits Center - Civilian**
- **305 Marshall Avenue**
- **Fort Riley, KS 66442-7005**

NOTE: You MUST submit your TSP Make-up request within **60 days** of the date of your reemployment in, or restoration to, civilian service.

For more information on TSPM, please see the TSP Fact Sheet, [TSP Benefits that Apply to Members of the Military Who Return to Federal Civilian Service](#).

What is a TSP Financial Hardship Withdrawal?

A TSP financial hardship withdrawal is a withdrawal made while you are still an employee that is based on genuine financial need. You must pay income tax on the taxable portion of your financial hardship withdrawal, and, if you have not reached age 59½, you may also have to pay a 10% early withdrawal penalty tax.

After making a financial hardship withdrawal, you cannot contribute to your TSP account for 6 months. If you are under the Federal Employees Retirement System (FERS), you will not receive any Agency Matching Contributions for the period during which you are not making employee contributions. However, your Agency Automatic (1%) Contributions will continue.

Please Note: At the end of the 6-month period, your employee contributions will **NOT** resume automatically. You must make a new contribution election in GRB Platform to restart your TSP contributions.

You can find more information about TSP financial hardship withdrawals, to include eligibility requirements, by visiting TSP's website at www.tsp.gov/PlanParticipation/LoansAndWithdrawals/in servicewithdrawals/financialHardship.html.

TSP Contribution Charts

We provide TSP Contribution Charts every year, which have the dollar amount you will need to contribute each pay period to reach the maximum annual TSP contributions. The maximum TSP contribution amount for 2019 is \$19,000. The maximum TSP contribution for TSP Catch-up is \$6,000. These charts are not valid if you have already made contributions during the year. If you need assistance calculating the amount of contribution to elect, a Benefits Specialist is available for assistance from 0700 to 1700 (CT) Monday - Thursday at DSN: 520-2222, commercial: (785) 240-ABCC (2222), or toll free: (877) 276-9287.

To view the chart for regular TSP contributions for 2019, please click on your agency below:

- [Department of Army, Army National Guard](#)
- [DCMA, DoDEA, Air National Guard](#)

To view the chart for TSP Catch-Up contributions for 2019, please click on your agency below:

- [Department of Army, Army National Guard](#)
 - [DCMA, DoDEA, Air National Guard](#)
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