



THRIFT SAVINGS PLAN

AGE-BASED IN-SERVICE WITHDRAWAL REQUEST

TSP-U-75

If you are a Thrift Savings Plan (TSP) participant age 59½ or older and are currently an active member of the uniformed services, you may use this form to request a payment of all or part of your uniformed services TSP account. You may make **only one** age-based in-service withdrawal from this account. **Before completing this form, read the booklet *TSP In-Service Withdrawals*, the instructions on the back of this form, and the accompanying tax information.** Type or print the information requested.

I. INFORMATION ABOUT YOU

1. Name _____
Last First Middle
2. _____ - _____ - _____ 3. _____ / _____ / _____ 4. (_____) _____
Social Security Number Date of Birth (Month/Day/Year) Daytime Phone (Area Code and Number)
5. Address _____
Street address or box number
6. City _____ 7. _____ 8. _____
State/Country Zip Code

II. YOUR WITHDRAWAL REQUEST

9. Enter a whole dollar amount of \$1,000 or more **or** check the box to withdraw the entire balance in your uniformed services account.
 \$ _____ .00 **OR** Entire account balance
10. Check here if you want to transfer all or a portion of your in-service withdrawal payment to an individual retirement account (IRA) or other eligible retirement plan. **Also complete Form TSP-U-75-T.** (See back of form concerning the **restrictions on transferring tax-exempt balances.**)

III. SPOUSE INFORMATION

11. Are you married, even if separated from your spouse?
 Yes (Provide the following information.) No (Skip to Section V.)
12. Spouse's Name _____
Last First Middle
13. Spouse's Address _____
Street address or box number (If same as yours, write "SAME.")
14. City _____ 15. _____ 16. _____
State/Country Zip Code

IV. SPOUSE'S CONSENT

If you are married, your spouse must complete this section to consent to your in-service withdrawal from your uniformed services TSP account.

Spouse's Consent: By signing below, I give my consent to this in-service withdrawal from my spouse's uniformed services Thrift Savings Plan account.

17. _____ 18. _____
Spouse's Signature Date Signed
19. Check here if you cannot obtain your spouse's signature. (See back of form.)

V. YOUR SIGNATURE AND CERTIFICATION

I certify that the information I have provided is true to the best of my knowledge. **Warning:** Any intentional false statement in this application or willful misrepresentation concerning it is a violation of the law that is punishable by a fine of as much as \$10,000 or imprisonment for as long as 5 years, or both (18 U.S.C. 1001).

20. _____ 21. _____
Participant's Signature Date Signed

INSTRUCTIONS

Make a copy of the completed form for your records and mail the original to:

TSP Service Office
National Finance Center
P.O. Box 61500
New Orleans, LA 70161-1500
Telephone number: (504) 255-6000
TDD: (504) 255-5113

I. INFORMATION ABOUT YOU

1 – 8: The age-based in-service withdrawal is available to participants who are still active members of the uniformed services and who are **age 59½ or older** at the time they apply.

Your withdrawal check and all other correspondence related to your in-service withdrawal will be mailed to the address in your uniformed services TSP account record. If you have recently moved and have a new address, contact your service TSP representative immediately to ensure that the correct address is provided to the TSP.

II. YOUR WITHDRAWAL REQUEST

9: You may withdraw all or part of your uniformed services account balance. Either enter the dollar amount that you want (a minimum of \$1,000) **or** check the box to withdraw your entire account balance. If your account balance at payment is less than the amount you requested but is at least \$1,000, you will receive your entire account balance. Warning: Beginning with the new record keeping system scheduled for 2002, **separated** participants will be permitted to withdraw a portion of their TSP accounts in a single payment and leave the remainder in the TSP until later. However, participants can use this option only once for their uniformed services TSP account, and the option **will not be available** to you if you have already made an age-based in-service withdrawal from that account.

10: If you want the TSP to transfer all or part of your withdrawal to an IRA or other eligible retirement plan, you must also complete Form TSP-U-75-T, Transfer of Age-Based In-Service Withdrawal. Note: There is **mandatory 20% tax withholding** on the tax-deferred portion of the withdrawal that is not transferred to an IRA or other eligible retirement plan.

Tax-exempt balances. Members of the uniformed services, in certain circumstances, are entitled to contribute tax-exempt money to their uniformed services TSP accounts and therefore their accounts may contain tax-exempt balances. If your uniformed services TSP account includes tax-exempt balances, the percentages of your in-service withdrawal payments that are taxable and tax-exempt will be based on the proportion of taxable and tax-exempt balances in your account at the time the distribution is made. Although tax-exempt balances can be transferred to an IRA or other eligible retirement plan, the transfer is subject to the IRA's or plan's certification on your transfer request (Form TSP-U-75-T) that it will accept your tax-exempt balances. If the plan or financial institution does not certify that it will accept tax-exempt balances, the entire tax-exempt portion will be paid directly to you in your withdrawal check. Read the accompanying tax notice for more information.

III. – IV. SPOUSE INFORMATION AND CONSENT

Spouses' rights apply to all in-service withdrawals. If you are married, even if separated from your spouse, your spouse must give written consent to the in-service withdrawal from your uniformed services TSP account unless your spouse's whereabouts are unknown or exceptional circumstances exist.

11 – 16: You must complete Item 11, and, if married, provide the requested information in Items 12 – 16. If you do not complete Item 11 and, if married, Item 12, the TSP will not be able to process your request.

17 – 19: Your spouse must give written consent to the withdrawal by signing and dating Items 17 and 18. If you cannot obtain your spouse's signature because his or her whereabouts are unknown or you believe that exceptional circumstances apply, check Item 19 and submit Form TSP-U-16, Exception to Spousal Requirements, with the required documentation.

V. YOUR SIGNATURE AND CERTIFICATION

20 – 21: You must sign and date this section; otherwise, the TSP cannot accept this form.

PRIVACY ACT NOTICE. We are authorized to request this information under 5 U.S.C. chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your uniformed services TSP account. We will use the information you provide to process your age-based in-service withdrawal. This information may be shared with other Federal agencies or the uniformed services for statistical, auditing, or archiving purposes. In addition, we may share the information with law enforcement agencies investigating a violation of civil, criminal, or

military 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 also disclose relevant portions of the information to appropriate parties engaged in litigation. 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 age-based in-service withdrawal from your uniformed services TSP account.



THRIFT SAVINGS PLAN TRANSFER OF AGE-BASED IN-SERVICE WITHDRAWAL

TSP-U-75-T

Use this form to instruct the Thrift Savings Plan (TSP) to transfer all or a portion of your age-based in-service withdrawal from your uniformed services TSP account to an individual retirement account (IRA) or other eligible retirement plan. If your uniformed services TSP account includes tax-exempt money, the transfer of these funds is subject to the IRA's or plan's certification below that it will accept your tax-exempt money (Item 14). **Read the instructions on the back before completing this form.** Type or print the information requested. You must also submit Form TSP-U-75, Age-Based In-Service Withdrawal Request, in order to complete your in-service withdrawal.

I. INFORMATION ABOUT YOU AND YOUR TRANSFER

1. Name _____
Last First Middle
2. _____ - _____ - _____ 3. _____ / _____ / _____ 4. (_____) _____
Social Security Number Date of Birth (Month/Day/Year) Daytime Phone (Area Code and Number)
5. Address _____
Street address or box number
6. City _____ 7. _____ 8. _____
State/Country Zip Code
9. Transfer _____% my age-based in-service withdrawal to the IRA or other eligible retirement plan designated below. **Any amounts not transferred will be paid directly to you.** Specify the portion to be transferred in multiples of 5%. If your IRA or plan does not accept tax-exempt money, that portion of your in-service withdrawal will be included in any amount paid directly to you.
10. _____ 11. _____
Participant's Signature Date Signed

II. INFORMATION FROM THE IRA OR OTHER ELIGIBLE PLAN

To be completed by
financial institution/
plan administrator

An "eligible retirement plan" is defined in section 402(c)(8) of the Internal Revenue Code. Generally, an eligible retirement plan is an individual retirement account (IRA) or an individual retirement annuity (other than an endowment contract); a qualified pension, profit-sharing, or stock bonus plan; an annuity plan described in 26 U.S.C. 403(a); an annuity contract described in 26 U.S.C. 403(b); or an eligible deferred compensation plan described in 26 U.S.C. 457(b).

12. Type of Account IRA Other Eligible Retirement Plan (Provide plan name if you check this box.)
Plan Name _____
13. Account Number _____
14. Tax-exempt balances, if any, will be accepted into the account indicated above. Yes No
15. Make check payable to (plan trustee) _____
Limit response to 25 characters.
16. Mail to _____
Name of institution or person, if different from Item 15
17. Attention of _____
18. Address _____
Street address or box number
19. City _____ 20. _____ 21. _____
State Zip Code
22. Contact Person _____ 23. (_____) _____
Phone (Area Code and Number)

I confirm the accuracy of the information in this section for the account of the individual named in Section I. As a representative of the financial institution or plan to which funds are being transferred, I certify that the financial institution or plan agrees to accept funds directly from the TSP and deposit them into the IRA or other eligible retirement plan indicated above.

24. _____ 25. (_____) _____
Typed or Printed Name of Certifying Representative Phone (Area Code and Number)
26. _____ 27. _____
Signature of Certifying Representative Date Signed

INFORMATION AND INSTRUCTIONS

GENERAL INFORMATION

To have the TSP transfer all or part of your age-based in-service withdrawal from your uniformed services TSP account to an IRA or other eligible retirement plan, you and your financial institution must provide the information requested on the front of this form. **Do not submit transfer forms of financial institutions or plans;** the TSP Service Office **cannot** accept them.

The IRA or plan that you designate must be a trust established inside the United States (i.e., the 50 States and the District of Columbia).

If your uniformed services account includes tax-exempt balances, the proportion of the taxable and tax-exempt amounts in your withdrawal will be based on the proportion of taxable and tax-exempt balances in your account at the time the distribution is made.

You must complete Section I. The financial institution or administrator of the plan to which you want the TSP to transfer your withdrawal must complete Section II. After both sections have been completed, make a copy of the form for your records. Mail the original form to: **TSP Service Office, National Finance Center, P.O. Box 61500, New Orleans, LA 70161-1500.** Telephone number: (504) 255-6000, TDD: (504) 255-5113.

I. INFORMATION ABOUT YOU AND YOUR TRANSFER

You must complete this section before giving this form to your financial institution or plan administrator.

1 – 8: Provide the requested information.

9: Enter the percentage in multiples of 5% (e.g., 15%, 70%, 100%) of your age-based withdrawal that you want to have transferred. Some financial institutions and plans have minimum transfer amounts. You should verify that your transfer will be accepted before completing this form. Any taxable portion of your withdrawal which is eligible for transfer to an IRA or other eligible retirement plan but is paid directly to you is subject to mandatory 20% Federal income tax withholding.

In addition, some plans will not accept tax-exempt money. **If the plan does not accept tax-exempt money, that amount will be paid directly to you.**

10 – 11: Sign and date these items; otherwise, the TSP cannot accept this form.

II. INFORMATION FROM THE IRA OR OTHER ELIGIBLE PLAN

The financial institution or plan administrator must complete this section. The institution or plan should retain a copy of this form in order to identify the account to which the check should be deposited when it is received.

Note: If the transfer is to an IRA, the institution accepting the transfer should submit IRS Form 5498, IRA Contribution Information, to the IRS.

12: Type of Account. Indicate whether the transfer is to an IRA or other eligible retirement plan. If the transfer is to another eligible retirement plan, provide the name of the plan.

13: Account Number. Enter the account number, if available, of the IRA or plan to which the money is to be transferred.

14: Transfer of Tax-Exempt Balances. Members of the uniformed services, in certain circumstances, are entitled to contribute tax-exempt money to their uniformed services TSP accounts and therefore their accounts may contain tax-exempt balances. Tax-exempt balances are never subject to taxation (unlike either tax-deferred balances, which are subject to taxation at a later date, or after-tax balances, on which taxes have already been paid). If you do not accept tax-exempt balances, that portion will be paid directly to the participant. You must check the appropriate box in this item to indicate whether this IRA or plan will accept tax-exempt balances.

15: Make check payable to (plan trustee). Provide the exact name that should appear on the check. This should be the plan trustee. If the plan does not have a trustee, provide the name of the custodian of the plan. The check will be made payable to the name you provide on this line.

16 – 17: Provide the name of the institution and/or person to whom the check should be directed, if different from Item 15.

18 – 21: Provide the mailing address for the institution.

22: Contact Person. Provide the name of the person who will be able to give additional transfer information to the TSP if needed. If this person is the same as the person to whose attention the check should be mailed, you should again provide that person's name on this line.

23: Phone. Provide the contact person's telephone number.

24 – 27: Certification. The administrator or the administrator's designee of the financial institution or plan must complete these items.

PRIVACY ACT NOTICE. We are authorized to request this information under 5 U.S.C. chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your uniformed services TSP account. We will use the information you provide to process the transfer of your age-based in-service withdrawal. This information may be shared with other Federal agencies or the uniformed services for statistical, auditing, or archiving purposes. In addition, we may share the information with law enforcement agencies investigating a violation of civil,

criminal, or military 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 also disclose relevant portions of the information to appropriate parties engaged in litigation. You are not required by law to provide this information, but if you do not provide it, we will not be able to transfer your age-based in-service withdrawal from your uniformed services TSP account.



Important Tax Information About TSP In-Service Withdrawal Payments

Except as noted below, amounts paid to you from your Thrift Savings Plan (TSP) account are taxable income to you for Federal income tax purposes in the year in which payment is made. This notice summarizes the tax rules that apply to TSP in-service withdrawals, i.e., age-based (age 59½ or older) and financial hardship withdrawals. To see how these tax rules apply to your TSP payment, **read this notice carefully.**

We are required by law to provide you with this notice; however, because the tax rules are complex, you may wish to consult a tax advisor before you make any decision that might be affected by them.

Special Note for Uniformed Services Accounts

TSP accounts for members of the uniformed services may include contributions from combat zone pay. Combat zone pay is exempt from Federal income taxes; therefore, TSP contributions from combat zone pay are also exempt from Federal income taxes when they are subsequently distributed from a uniformed services TSP account. (This is not true for the earnings attributable to contributions from combat zone pay; such earnings are taxable when they are distributed from the TSP account.)

The TSP will make all payments from a uniformed services account on a *pro rata* basis from both taxable and tax-exempt balances. A payment made from a uniformed services TSP account will therefore include taxable and tax-exempt balances if the account includes contributions from combat zone pay. The Internal Revenue Service (IRS) Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., which the TSP provides you, will separately state the total amount of your distribution and the amount of your taxable distribution. (See *Section 3 of this notice.*)

Unless otherwise noted, the following discussion applies only to the taxable portion of an in-service withdrawal.

1. Tax Withholding

Age-Based Withdrawals

Age-based in-service withdrawals are the only TSP payments made to participants before they separate from Federal civilian service or the uniformed services which

are considered **eligible rollover distributions**, and the following Federal income tax withholding rules apply. (The TSP does not withhold amounts for state or local income tax.)

- The mandatory tax withholding on all eligible rollover distributions of \$200 or more paid in a single year is 20%. The 20% is tax withholding, not actual tax due; therefore, when you file your annual Federal income tax return, you may be entitled to a refund of a portion of this amount, or you may be required to pay an additional amount.
- You can avoid withholding on all or any portion of your eligible rollover distribution by asking the TSP to transfer that amount to a “traditional IRA” or to an eligible employer plan.¹ However, you **cannot** avoid the mandatory 20% withholding on any amount that you elect to receive directly, even if you then roll it over to a traditional IRA or eligible employer plan. (See *Section 2 of this notice.*)
- You may elect to have an amount withheld in addition to the 20% withholding by completing Line 3 of IRS Form W-4P, Withholding Certificate for Pension or Annuity Payments, and submitting it to the TSP Service Office along with your in-service withdrawal request.² Line 1 and Line 2 are not valid elections for this type of payment.

Financial Hardship Withdrawals

A financial hardship in-service withdrawal is a **non-periodic payment** and cannot be transferred or rolled over to a traditional IRA or eligible employer plan. The TSP will withhold 10% for Federal income tax from these payments unless the TSP Service Office receives from you IRS Form W-4P, Withholding Certificate for Pension or Annuity Payments.² If you submit Form W-4P, you may elect:

- to have no Federal income tax withheld by completing Line 1 of Form W-4P; or

¹ A “traditional IRA” is an individual retirement account described at § 408(a) of the Internal Revenue Code (I.R.C.) or an individual retirement annuity described at I.R.C. § 408(b). (It does not include a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).) An “eligible employer plan” includes a plan qualified under I.R.C. § 401(a), including a § 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; an I.R.C. § 403(a) annuity plan; an I.R.C. § 403(b) tax-sheltered annuity; and an eligible I.R.C. § 457(b) plan maintained by a governmental employer.

² If you have both a civilian TSP account and a uniformed services TSP account, you must submit a separate IRS Form W-4P for each account.

- to have an amount withheld in addition to the 10%, by completing Line 3 of Form W-4P.

Note: Line 2 of Form W-4P is not a valid election for this type of distribution.

2. Transferring or Rolling Over Your Age-Based In-Service Withdrawal

All or any part of your age-based in-service withdrawal can either be transferred or rolled over to a traditional IRA or an eligible employer plan. This permits you to postpone paying tax on that amount until you withdraw the money from the IRA or plan. However, distributions from the IRA or plan to which the transfer or rollover is made may be subject to different restrictions and tax consequences from those that apply to distributions from the TSP.

A **transfer** occurs when you instruct the TSP to send all or part of your distribution directly to a traditional IRA or eligible employer plan instead of issuing it directly to you. Mandatory 20% Federal income tax withholding does not apply to an amount that the TSP transfers directly to a traditional IRA or eligible employer plan; **however, it does apply to any payment made to you, even if you then roll it over.**

A **rollover** occurs when the TSP makes a distribution to you (which includes the amount of the payment you receive plus the amount of tax withheld) and you deposit any part of that distribution into a traditional IRA or eligible employer plan within 60 days of the date you receive it.

In deciding whether to choose a transfer or a rollover, you should consider the following:

- You must pay Federal income tax on any part of the payment that you do not transfer or roll over.
- Because all eligible rollover distributions of \$200 or more made directly to you are subject to mandatory 20% withholding, you must pay Federal income tax on the amount withheld for taxes — even if you roll over the amount you receive — unless you deposit personal funds into your traditional IRA or eligible employer plan equal to the amount withheld. (If you do this, you may receive a refund of taxes withheld, but you cannot wait until you receive a refund of the withheld amount to complete a rollover.)

Therefore, if you do not want to use personal funds to make up the amount withheld, you should choose to have the TSP transfer your payment to your traditional IRA or eligible employer plan directly, instead of rolling it over to your IRA or plan yourself.

Special Note for Uniformed Services Accounts

Tax-exempt balances (i.e., contributions from combat zone pay) may be transferred or rolled over into a traditional IRA or transferred into certain eligible employer plans, but only if the IRA or plan accepts tax-exempt balances.

If you transfer or roll over a tax-exempt balance into a traditional IRA, it is your responsibility to keep track of the amount of these contributions and report that amount to the IRS on the appropriate form so that the nontaxable amount of any future distribution(s) can be determined.

In contrast, you may only transfer (not roll over) a tax-exempt balance to an eligible employer plan; you cannot first transfer or roll over a tax-exempt balance into a traditional IRA and then roll over that amount into an employer plan. The only types of eligible employer plans that can accept a transfer of tax-exempt balances from the TSP are plans qualified under I.R.C. § 401(a) and I.R.C. § 403(a) annuity plans; however, a plan is not legally required to accept such a transfer.

If the IRA or plan does not accept tax-exempt balances, the tax-exempt portion of the intended transfer will be removed from the amount that is being transferred and will be paid directly to you. Tax-exempt balances in a uniformed services TSP account may not be transferred into a civilian TSP account.

3. Tax Reporting

The TSP will report to the IRS all payments that are made directly to you, as well as all transfers made to traditional IRAs or eligible employer plans. The TSP will also report TSP payments and transfers to the state in which your TSP account record shows you resided (or, for members of the uniformed services, your state of legal residence as reported by your payroll office) at the time payment was made, if that state has an income tax.

In January of the year that follows your payment, the TSP will send you IRS Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. You should include the taxable amount reported on Form 1099-R as income on your individual income tax return for the year in which payment was made. **Be sure your agency and/or service keeps your TSP account address up to date so that you receive the form and other important information about your account.**

4. Early Withdrawal Penalty Tax

Under the Internal Revenue Code, an early withdrawal penalty tax of 10% is imposed on the amount of an in-service withdrawal payment that you receive directly from the TSP (including any tax withholding) **before you become age 59½**. Thus, if you request a financial hardship withdrawal and are younger than age 59½, the penalty tax will apply to you. The penalty tax is in addition to the ordinary income tax that you pay on TSP payments.

The early withdrawal penalty tax does not apply if you are age 59½ or older when the distribution is made. It also does not apply to TSP distributions used for the payment of medical expenses which would be deductible under the Internal Revenue Code. (*See IRS Form 5329, Additional Taxes Attributable to IRAs, Other Qualified Retirement Plans, Annuities, Modified Endowment Contracts, and MSAs.*)

Special Note for Uniformed Services Accounts

The early withdrawal penalty tax does not apply to that portion of your withdrawal which represents contributions from combat zone pay.

5. Ten-Year Tax Option

If the payment you receive from the TSP qualifies as an **eligible lump sum distribution**, you may be able to lower the income tax you pay by using the **10-year tax option**.

An **eligible lump sum distribution** is one in which your total TSP account balance (if you have two accounts, your civilian and uniformed services TSP accounts, including tax-exempt balances, if any) is distributed to you within one tax year (the calendar year, for most taxpayers), regardless of whether this occurs in one or more payments. With the **10-year tax option**, your eligible lump sum distribution is taxed as if it were paid to you over 10 tax years.

The following rules apply to the 10-year tax option:

- The 10-year tax option is available only if you were age 50 before January 1, 1986.
- You must have been an **active participant** in the TSP for at least five years before the year in which your distribution is made. You are considered an active participant during a year if either you or your agency made a contribution to your TSP account during that year.

- You must use the 10-year tax option for all eligible lump sum distributions that you receive in the same tax year. This includes a withdrawal of your entire TSP account after separation and any taxable loan distribution. It also includes an eligible lump sum distribution from any plan described in I.R.C. § 401(a) or § 403(a) which is maintained by another employer.
- You can use the 10-year tax option only once in your lifetime. This means that if you use it in one tax year (e.g., for an age-based in-service withdrawal of your entire TSP account balance), you cannot use it for a distribution received from the TSP or another plan in any subsequent year.
- You must use the tax rates in effect in 1986.
- If you transfer or roll over all or any part of your distribution, you cannot use the 10-year tax option.

You can elect the 10-year tax option by filing IRS Form 4972, Tax on Lump Sum Distributions, with your annual income tax return.

6. Saver's Tax Credit

If you participate in the TSP during tax years 2002 through 2006, you may be eligible for a tax credit of up to \$2,000 on your Federal income tax return for each year you contribute to the plan. However, the amount of the tax credit may be offset by any taxable distribution, including an in-service withdrawal payment, paid directly to you from the TSP. This benefit, called the Saver's Tax Credit, is available to participants with an adjusted gross income of no more than \$50,000 if married filing jointly, \$37,500 if head of household, or \$25,000 if single or married filing separately. For more information about this tax credit, consult your tax advisor or refer to IRS Publication 553, *Highlights of 2001 Tax Changes*.

7. TSP Service Office Information

If you have any questions regarding this notice, please contact the TSP Service Office at (504) 255-6000 (TDD: (504) 255-5113) or write to:

TSP Service Office
National Finance Center
P.O. Box 61500
New Orleans, LA 70161-1500