



# Thrift Savings Plan BULLETIN for Agency TSP Representatives

**Subject:** Implementation of Automatic Enrollment in the Thrift Savings Plan

**Date:** February 24, 2010

The Thrift Savings Plan Enhancement Act of 2009, Public Law 111-31, signed into law on June 22, 2009, authorizes a number of changes to the Thrift Savings Plan (TSP). The provision permitting immediate eligibility for agency contributions for employees covered by the Federal Employees' Retirement System (FERS) (and its equivalent retirement systems) was implemented in July 2009. The next program feature to be introduced as part of this legislation is automatic enrollment in the TSP.

This bulletin provides information on the actions the agencies must take to implement automatic enrollment in their human resource and payroll systems. The Federal Retirement Thrift Investment Board (Agency) will publish regulations consistent with these requirements in the near future. The designated implementation of automatic enrollment is August 2010. Agencies should begin automatically enrolling FERS and Civil Service Retirement System (CSRS)<sup>1</sup> employees hired or rehired<sup>2</sup> on or after the first full pay period in August or as soon as administratively feasible thereafter.

The Agency will issue a new bulletin, consolidating the instructions contained in this bulletin with [TSP Bulletin 09-9](#), Participation in the Thrift Savings Plan, (dated September 9, 2009) to provide one reference document for agencies.

## I. Automatic Enrollment

- A. 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. Unless these employees make their own TSP contribution

*(continued on next page)*

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<sup>1</sup> FERS refers to the Federal Employees' Retirement System, the Foreign Service Pension System, and other equivalent Government retirement plans. CSRS includes the Civil Service Retirement System, CSRS Offset, the Foreign Service Retirement and Disability System, and other equivalent Government retirement plans.

<sup>2</sup> Unless otherwise stated, the term "rehire" applies only to participants who meet the break-in-service definition. For TSP purposes, a break in service is a break of more than 30 days (See TSP Bulletin 09-9).

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**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

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elections, the agency must enroll them in the TSP at a contribution rate of three percent 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. A new TSP status code of "A" identifies automatically enrolled TSP participants. Once enrolled, the normal TSP contribution rules apply to these employees. That is, they can make elections to change or stop their contributions at any time; if they take a financial hardship in-service withdrawal, their employee contributions and associated matching contributions must stop for six months, etc.

In some cases, automatically enrolled participants may not only wish to terminate their future contributions to the TSP, but also to get a refund (of the contributions deducted while enrolled and their associated earnings). These individuals must submit their requests directly to the TSP no later than 90 days after the TSP's receipt of the first automatic enrollment contribution (the refund deadline date). This date will be provided to them in the TSP Welcome Letter sent to all employees upon receipt of their first contribution. Consistent with the Internal Revenue Service's 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.) The Agency Automatic (1%) Contributions will remain in the participants' TSP accounts.

- 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.

## **II. Agency Responsibilities to Implement Automatic Enrollment**

Beginning the first full pay period in August 2010 or as soon as possible thereafter, agencies should automatically enroll all newly hired and rehired FERS and CSRS employees. Thus, agencies must:

- Inform their new employees 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; and
- Deduct three percent of the employees' basic pay and submit it to the TSP if the employees do not make an alternate contribution election.

The following provides specific guidance for various employee populations.

A. FERS Appointments and Reappointments

- (1) Notify these employees that they are automatically enrolled in the TSP, that three percent of their basic pay will be deducted for the TSP, and that they will receive a three percent Agency Matching Contribution as well as the Agency Automatic (1%) Contribution. The TSP contribution rules should be explained to the 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, the agency 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 request whether or not they choose to terminate their contributions to the TSP or they submit a subsequent election to change their contribution amount or percentage. An advance copy of the Form TSP-25, Request for an Automatic Enrollment Refund, is attached to this bulletin. (See Section IV.C. below for more information about the Form TSP-25 and the TSP Welcome Letter.)

- (2) Once the 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 the FERS employee elects to immediately terminate automatic enrollment within the first pay period of hire or rehire<sup>3</sup>, 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

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<sup>3</sup> Agencies should notify employees of their processing windows so they can submit their elections to terminate contributions so that terminations can be made effective in the first pay period. If the election cannot be processed in time to stop the first contribution from being deducted from pay, it should be made effective the next pay period.

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 three percent 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 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 three percent of their basic pay will be deducted for the TSP. The TSP contribution rules should be explained to the 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 the 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 the 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 (1) it is submitted with a current payment record reporting Employee Contributions or (2) the participant has an open TSP account established from a prior period of employment.
  - b. If the 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 three percent 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 the 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](#)). 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 (see [TSP Bulletin 97-30](#)). 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 and elects to contribute an amount other than the three percent 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 (see [TSP Bulletin 97-30](#), dated August 19, 1997). 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 II.A or II.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 31 or more calendar days), the employee's TSP participation must resume upon reappointment. Their TSP Status Codes and Dates do not change. These employees should not be automatically enrolled in the TSP unless they were automatically enrolled by their prior agency; the gaining agency must continue with the last TSP election and applicable Status Code and Status Date from the previous Federal 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 (see [TSP Bulletin 09-9](#)). Agencies unable to code a past date in their systems should use the date of rehire or transfer to the agency.
- E. Participants on the agency's rolls prior to its implementation of automatic enrollment who did not elect to contribute to the TSP
- (1) FERS and CSRS employees who are on the agency's rolls prior to the implementation of automatic enrollment 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.
  - (2) The Agency is concerned about this group of noncontributing FERS employees. A special leaflet was sent to this group in December 2009; the January/February TSP *Highlights* has a targeted message for them, and educating this group on the benefits of the TSP is mentioned as a priority in the Executive Director's letter which accompanied the annual TSP participant statements. Other targeted communications will be implemented in 2010 to encourage this group of noncontributors to contribute to the TSP. Agencies may also want to identify these employees and communicate the short and long-term benefits of contributing to the TSP as part of the FERS retirement benefit package.
- F. Effect of automatic enrollment on employees who return from nonpay status or separation under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA)
- (1) Automatically enrolled employees who are eligible under USERRA to return to work should *not* have contributions retroactively deducted from their pay to "make up" the contributions that would have been automatically deducted had the employee not left to perform military service. FERS employees

may have voluntarily contributed to their uniformed services TSP accounts during this period, which may automatically entitle them to receive retroactive Agency Matching Contributions upon their return. FERS employees are also eligible for retroactive Agency Automatic (1%) Contributions; these contributions must be deposited by the agency. ([See TSP Bulletin 02-7, dated April 3, 2002.](#))

- (2) For participants who were automatically enrolled in the TSP prior to their separation or placement in nonpay status to perform military service, the contributions will continue when they return to work. Employees may make an election to retroactively make up contributions missed, based on the automatic enrollment percentage, or they may make retroactive TSP elections to change this amount.
- G. Effect of automatic enrollment on retroactive pay actions or administrative errors
- (1) Agencies may experience an instance where statutory or bargained pay raises are approved after the initial effective date. When the retroactive basic pay is paid to the affected employees, the agency will deduct the appropriate amount from the pay for those employees who have a TSP Status Code of “A” or “Y” for the period covered by the retroactive salary payment. These contributions are reported on a Current Payment (16) Record, along with applicable agency contributions, and with the current pay date. Breakage is not paid on these amounts.
  - (2) When an agency must process TSP corrections under 5 C.F.R § 1605, they should take the following actions with regard to automatic enrollment:
    - a. 5 C.F.R § 1605.11, Make Up of Missed or Insufficient Contributions. If an agency delays deducting employee contributions associated with automatic enrollment, they should follow the guidelines in this section of the error correction regulations. The agency must *not* automatically deduct the automatic enrollment Employee Contributions missed from the employee’s pay. Instead, the employee must be notified of the error in a timely manner and be given the choice to make up the contributions. FERS employees should be informed that they will receive the Agency Matching Contributions associated with any make-up automatic enrollment contributions. If the employee makes up the contributions missed from future basic pay, no breakage is paid on the Employee Contributions; however the Agency Matching Contributions for FERS employees are subject to breakage.
    - b. 5 C.F.R §1605.12, Removal of Erroneous Contributions. The agency will take the appropriate actions described in the regulations to remove those contributions associated with erroneous pay or contributions associated with a determination that the employee was ineligible for the TSP.

If the agency submits a negative adjustment to remove the erroneous contributions from the TSP account, the TSP will remove and return those Employee Contributions associated with the applicable process dates and dollar amounts requested, and those agency contributions less than one year in age when the negative adjustment records are processed. The TSP will return the original contribution amount or lesser value if investment losses have occurred. As is currently the case, if the participant has received a refund, loan, or withdrawal, and there are insufficient funds to return to the agency, the TSP will reject the negative adjustment record. The agency must seek other appropriate collection actions to recover the erroneous Employee Contributions paid to the employee.

- c. 5 C.F.R §1605.13(a), Back Pay Award and Other Retroactive Pay Actions - Participant Not Employed. Follow the guidelines in this section of the regulation, which includes notifying the hired or reinstated employee of TSP election opportunities retroactive to the effective date of hire or date of reinstatement (if there is no break in service). If the employee was coded an “A” upon removal, or is an “A” as of the date of hire, and the employee does not make a retroactive TSP election(s), including an election to terminate contributions, inform the employee that Employee Contributions attributable to automatic enrollment will be deducted from the back pay award and contributed to the TSP for each retroactive pay date, with associated agency contributions and applicable breakage. (The same actions would apply for a reinstated employee who had an election to contribute on file with the agency prior to removal.)
- d. 5 C.F.R §1605.13(b), Back Pay Award and Other Retroactive Pay Actions - Participant Employed. Follow the guidelines in this section of the regulation. When the back pay is paid, if the participant was coded an “A” during the period of the administrative error, deduct the automatic enrollment Employee Contributions and submit them by each applicable retroactive pay date (along with the agency contributions, if FERS). Breakage will be paid for applicable late contributions posted to the TSP account. (The same actions would apply for an employee who had an election to contribute on file.)

H. Effect of automatic enrollment on agency processing reports.

The only impact on the agency processing reports is that the automatic enrollment code “A” will be added to the following two warning notices:

WN4 — Record Type 16. Status code indicates FERS participant should receive Agency Automatic (1%) Contributions. Conditions: “as of” date on record must be blank or equal to or later than current pay date on Header record; record contains contributions from employee or agency matching source (but not Agency Automatic (1%) Contributions); the participant’s status code is A, Y, T or N).

WP1 — Record Type 16. Status code indicates FERS participant should receive Agency Matching Contributions. Conditions: “as of” date on record must be blank or equal to or later than current pay date on Header record; record contains employee contributions (but not Agency Matching Contributions); pay date is not within participant’s non-contribution period; participant’s status code is A or Y.

### **III. Employee Responsibilities Under the Automatic Enrollment Program**

- A. As long as employees are satisfied with their coverage under 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 the Form TSP-1, as appropriate.
- B. Employees who are automatically enrolled in the TSP may request a refund of the contributions deducted from their basic pay (including associated earnings). The refund will only apply to those contributions associated with the first 90 days of automatic enrollment. The participant must submit Form TSP-25, Request for an Automatic Enrollment Refund, directly to the TSP, and it must be received no later than the refund deadline date provided in the TSP Welcome Letter. 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.

The TSP will provide information about the refund process as well as the Form TSP-25 in its Welcome Letter to automatically enrolled participants.

### **IV. Thrift Savings Plan Responsibilities in Implementing Automatic Enrollment**

- A. Under the provisions of The TSP Enhancement Act of 2009, the Agency was authorized to determine the percentage of pay to be contributed under the automatic enrollment program; the allowable range is between two and five percent. The Agency has determined the initial enrollment percentage will be three percent of the participant’s basic pay. Agencies will receive notification if the Agency determines the percentage of automatic enrollment should be increased or decreased.

- B. The Agency has revised Form TSP-1, Election Form, to include information about automatic enrollment. An advance copy of the new Form TSP-1 is attached for the agencies' use in determining the programming changes to accommodate the new benefit. The Agency will also revise the language in the FERS and CSRS TSP eligibility letters (attached to TSP Bulletin 09-9) which agencies can use to provide information to newly hired and rehired employees. These revised letters will be included in the consolidated Participation in the TSP bulletin (and available under the historical information for agency representatives on the TSP website).
- C. The Agency will also revise its participant education materials including the booklets, leaflets, and the Welcome Letter mailed to each participant when their TSP account is established. Advance copies of the Welcome Letter are attached to this bulletin. As the *Summary of the Thrift Savings Plan*, the *Managing Your TSP Account booklet*, and the other materials are revised, the Agency will publish a bulletin or notification to inform the agencies.
- D. Processing Requests for Refunds
- (1) A Request for an Automatic Enrollment Refund, Form TSP-25, has been 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. An advance 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.
  - (3) At the time the refund is made to the participant, the TSP will forfeit the associated Agency Matching Contributions and their earnings to the TSP. Agencies should not submit Negative Adjustment (26) Records to remove the Agency Matching Contributions associated with the refunded Employee Contributions. Under IRS regulations for automatic enrollment, these contributions must be forfeited to the plan.

- E. The remaining provisions of the Act, specifically the Roth TSP feature, are not part of the implementation of automatic enrollment program. We will begin working with agency and uniformed services human resource and payroll representatives on the requirements for the Roth TSP feature in the near future.



PAMELA-JEANNE MORAN  
Director  
Office of Participant Services

Attachments: Election Form TSP-1 (Advance)  
Request For An Automatic Enrollment Refund, Form TSP-25 (Advance)  
Welcome Letters for FERS and CSRS/CSRS Offset Employees (Advance)



# 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 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. \_\_\_\_\_ 10. \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_  
Participant's Signature Date Signed (mm/dd/yyyy)

## V. FOR EMPLOYING OFFICE USE ONLY

11. \_\_\_\_\_ 12. \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_ 13. \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_  
Payroll Office Number Receipt Date (mm/dd/yyyy) 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.

Form TSP-1 (6/2010)  
PREVIOUS EDITIONS OBSOLETE

## INFORMATION AND INSTRUCTIONS

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### 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](http://www.tsp.gov).)

**To choose your investment fund(s),** use the TSP website ([www.tsp.gov](http://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.

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### SECTION I

Complete all items in this section.

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### 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.

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### 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. The TSP must receive this form within 90 days of your first contribution.

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### SECTION IV

You must complete this section.

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### 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.



## FORM TSP-25, INSTRUCTIONS

Federal employees who have been automatically enrolled in the TSP may use this form to request a **one-time** refund of those contributions attributable to the automatic enrollment. Your request must be made within the first 90 days of becoming automatically enrolled in the TSP. (Employees who separated from Federal service within the first 90 days of being automatically enrolled may also use this form to request a refund of their automatic contributions.) Refunds are comprised of automatic enrollment Employee Contributions, as well as accrued earnings.

The TSP will only refund your employee contributions associated with the automatic enrollment period. If you are a rehired participant with an existing account balance from a prior period of employment, you will not receive a refund of the balance associated with your prior employment.

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

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](http://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 and submit the update through 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 - 9:

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 may 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 Internal Revenue Service (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).



# Thrift Savings Plan

P.O. Box 385021  
Birmingham, AL 35238

Dear Participant:

Welcome to the Thrift Savings Plan (TSP). The TSP is an integral part of your Federal retirement system; the other two components are your FERS basic annuity and Social Security. Because the savings in your TSP account will help determine the quality of life you can afford in retirement, your agency has automatically enrolled you in the TSP and an account has been established in your name.

Your TSP Account Number is: **7000 0000 00001**

## Personal and Employment Information

Your agency has reported this information to the TSP. If any of it is incorrect, please notify your personnel or benefits office immediately.

Social Security Number: 123-45-4321

TSP-SCD: mm/dd/yyyy

Date of Birth: mm/dd/yyyy

Service Required for Vesting: 3 years

Retirement Coverage: FERS

## Automatic Enrollment Information

Because you are automatically enrolled, your agency has begun depositing 3% of your basic pay into your TSP account on a tax-deferred basis. You are also receiving an equivalent 3% Agency Matching Contribution and a 1% Agency Automatic Contribution. This means that you are saving the equivalent of 7% of your basic pay for your retirement. Your first contributions posted to your account on mm/dd/yyyy are:

Employee	Agency Matching	Agency (1%)	Total
\$60	\$60	\$20	\$140

As you can see, 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 to make your savings grow even faster. The "Getting Started" section in the enclosed *Managing Your Account* booklet explains how.

If you cannot afford to contribute to the TSP, you can always decrease or stop your contributions by using your agency's electronic benefits or pay system or by filling out the TSP Election Form (TSP-1) which is available from your agency, the TSP website, or the ThriftLine. The Form TSP-1 must be submitted to your agency, not to the TSP.





# Thrift Savings Plan

P.O. Box 385021  
Birmingham, AL 35238

Dear Participant:

Welcome to the Thrift Savings Plan (TSP). The TSP is an important supplement to your Federal retirement benefit. Because the savings in your TSP account could help determine the quality of life you can afford in retirement, your agency has automatically enrolled you in the TSP and an account has been established in your name (if you do not have one from previous Federal employment).

Your TSP Account Number is: **7000 0000 00001**

## Personal and Employment Information

Your agency has reported this information to the TSP. If any of it is incorrect, please notify your personnel or benefits office immediately.

Social Security Number: 123-45-4321  
Date of Birth: mm/dd/yyyy

Retirement Coverage: CSRS

## Automatic Enrollment Information

Because you are automatically enrolled, your agency has begun depositing 3% of your basic pay into your TSP account on a tax-deferred basis. On mm/dd/yyyy, the TSP posted the following contribution to your account:

Employee Contribution — \$60.00

As you can see, this is a good way to add to your retirement savings; however, you can easily increase the amount of your contributions to make your savings grow even faster. The “Getting Started” section in the enclosed *Managing Your Account* booklet explains how.

If you cannot afford to contribute to the TSP, you can always decrease or stop your contributions by using your agency’s electronic benefits or pay system or by filling out the TSP Election Form (TSP-1) which is available from your agency, the TSP website, or the ThriftLine. The Form TSP-1 must be submitted to your agency, not to the TSP.

You may also request a refund of the contributions that were deducted from your pay during the first 90 days that you were automatically enrolled. To do so, you must send the enclosed Form TSP-25, Request for an Automatic Enrollment Refund, directly to the TSP at the address or fax number on the form. Your properly completed form must be received by the TSP **no later than mm/dd/yyyy**. The amount of your refund will be your automatically withheld contributions and any gains or losses from the performance of your investment(s). Please note that requesting a refund of your automatic enrollment contributions will not stop future contributions from being deducted from your pay. You must contact your agency to discontinue contributing.

## Investment Information

Your contributions will be invested in the Government Securities Investment (G) Fund until you make a different investment decision. You may choose from among five individual funds or five Lifecycle (L) Funds. The L Funds make investing easy because you choose them based on when you expect to begin withdrawing your money after you leave Federal service (e.g., if you think you'll need your money close to the year 2020, you would choose the L 2020 Fund). Your investment choices are described in the "Investing in the TSP" section of the *Managing Your Account* booklet and you can find detailed information by visiting [www.tsp.gov](http://www.tsp.gov).

Managing your investments is easy: it's all done with two simple transactions. Your initial investment decision (your contribution allocation) tells the TSP how you want to invest "new money" going into your account. If you want to move the money that is already in your TSP account (your "old money"), you request an interfund transfer (IFT). Details on how to make these transactions are found in the "Investing in the TSP section" of the *Managing Your Account* booklet and on the TSP website.

## Accessing Your TSP Account

For security reasons, your TSP account number is your primary identification for the TSP (although we may ask you for your Social Security number or other information as additional protection if you call the TSP). We have already mailed you an 8-character Web password that you can use to access your account and execute transactions using the TSP website. In a separate mailing, we have sent you a Personal Identification Number (PIN) so you can access your account through the ThriftLine (the TSP's automated telephone service). You may create a custom user ID to access your account online instead of using your account number. You may also customize your Web password or ThriftLine PIN. If you do not receive these mailers within 10 days, please contact the TSP.

The TSP issues quarterly participant statements and an annual statement. Your first quarterly statement will be mailed to you, after which you can view them online. You may also request that the quarterly statements be mailed to you. Your annual statement will be mailed to you in February unless you request electronic delivery. We strongly recommend that you review your statements.

If you have questions, call the ThriftLine number shown below. Callers outside the United States and Canada should call (404) 233-4400 (not a toll-free number). The TSP hours are Monday through Friday 7 a.m. to 9 p.m. eastern time. You can also write to the TSP. Please include your daytime telephone number and TSP account number (or your Social Security number) on all correspondence so that we can identify your account. **Note:** If you are a member of the uniformed services, do not provide your Defense Switched Network (DSN) telephone number.

Enclosures:     Investment Allocation Form  
                  Request for An Automatic Enrollment Refund Form  
                  Website/ThriftLine Card  
                  Booklet, *Managing Your Account*