Contributions Toward the Catch-Up Limit

What are contributions toward the catch-up limit?

Starting in the year you turn 50, you become eligible to save even more by contributing toward the Internal Revenue Code (IRC) catch-up limit. That means that if you meet the IRC elective deferral limit and keep saving, your contributions will automatically start counting toward the catch-up limit. (Separate catch-up elections are not required.) Your TSP election will stay in effect until you submit another election, or until you leave federal service or separate from the uniformed services.

Who is eligible to contribute toward the catch-up limit?

To be eligible to contribute toward the catch-up limit, you must be

- turning age 50 or older during the calendar year in which these contributions are made (even if you become age 50 on December 31 of that year);
- currently employed and in pay status; and
- making regular contributions to a civilian or uniformed services TSP account (or both), and/ or an equivalent employer plan (such as a 401(k), 403(b), or 408(k)(6) plan) that will equal the maximum allowed by the Internal Revenue Code (IRC). The maximum allowed is subject to change every year. Visit tsp.gov for the current contribution limits.

How much can I contribute to the TSP?

If you are eligible, you can contribute toward the IRC catch-up limit for the year. However, you must exceed the IRC elective deferral (or IRC annual addition) limit before your contributions can spill over toward catch-up. Visit tsp.gov for the current contribution limits.

Contributions toward the catch-up limit do not count against the elective deferral limit or the total annual addition limit for the year.

These contributions apply to the year during which you made them, even if they are posted to your account in the following year (i.e., your contributions for the last pay date in December might not be posted until January but will be counted toward the limit in December).

Will I receive any matching contributions toward the catch-up limit?

Yes. If you’re turning age 50 or older, anything you contribute beyond the elective deferral limit will automatically start counting toward the catch-up limit. For Federal Employees Retirement System (FERS) and Blended Retirement System (BRS) participants, contributions spilling over toward the catch-up limit are eligible for matching on the first 5% of salary.

However, if you have reached the annual addition limit, your contributions toward catch-up will not be matched. (The IRS does not allow participants who have reached the annual addition limit to receive any more matching for the year.)

Can I make contributions toward the catch-up limit from bonus pay?

No. You cannot contribute toward the catch-up limit from incentive pay, special pay, or bonus pay.

How do I make contributions toward the catch-up limit?

Use Form TSP-1, Election Form (or TSP-U-1 for uniformed services), or your agency’s or service’s electronic system (e.g., Employee Express, LiteBlue, EBIS, myPay, or NFC Employee Personal Page). You can add any contributions toward the catch-up limit.
in the same place as your other TSP contributions. Separate catch-up elections are no longer required.

When can I contribute toward the catch-up limit?

Once you exceed the elective deferral or annual addition limit, your contributions will automatically start counting toward the catch-up limit. **Separate catch-up elections are no longer required.** You may start, stop, or change your contributions at any time.

Can I change or stop my contributions toward the catch-up limit at any time?

Yes. You can start, change, or stop any of your contributions at any time by submitting Form TSP-1, *Election Form* (or TSP-U-1 for uniformed services) to your agency or service, or by using your electronic payroll system. Your TSP election will stay in effect until you submit another election, or until you leave federal service or separate from the uniformed services.

How are these contributions reported to the IRS?

Contributions toward the catch-up limit are reported on your Form W-2, *Wage and Tax Statement*, where they are combined with your regular TSP contributions.

Do special rules or conditions apply to uniformed services participants?

Contributions toward the catch-up limit in a uniformed services account are subject to the same rules as for a civilian account. However, for a uniformed services account, certain special rules apply:

- You cannot contribute toward the catch-up limit from incentive pay, special pay, or bonus pay.
- If you are contributing to both a civilian and uniformed services account, the elective deferral limit applies to the total contributions you make during the year to both accounts. It works the same way for contributions toward the catch-up limit.

**Note:** Tax-exempt contributions made to the traditional balance of your uniformed services account while you are deployed to a designated combat zone do not count toward the elective deferral limit. However, any Roth TSP contributions you make are subject to the limit even if they are contributed from tax-exempt pay. Also, if you enter a combat zone and receive tax-exempt pay, only Roth contributions toward the catch-up limit are allowed. The TSP cannot accept traditional tax-exempt contributions toward the catch-up limit.

What if I don’t want to go beyond the elective deferral limit in the TSP?

You are not required to contribute toward the catch-up limit. If you choose not to contribute toward the catch-up limit, you should adjust your TSP contributions accordingly. For example, you can choose to only contribute up to the elective deferral limit.

If I’m 50 or older and reach the combined elective deferral and catch-up limits early, can I still get matching?

No. Once you reach both the elective deferral and catch-up limits, the IRS does not allow you to contribute any more for the year. If you aren’t contributing, you do not receive matching.

What should I do if I want my contributions toward the catch-up limit to be Roth, traditional, or a mix of both?

Whatever you elect for your contributions toward the elective deferral limit (traditional, Roth, or both) will spill over and start counting toward the catch-up limit. The one exception is tax-exempt contributions toward the catch-up limit. If you’re a member of the uniformed services and receive tax-exempt pay in a combat zone, only Roth contributions toward the catch-up limit are allowed. The TSP cannot accept traditional tax-exempt contributions toward the catch-up limit.