



# Thrift Savings Plan

## Change in Required Minimum Distribution Age:


The SECURE Act, which passed on December 20, 2019, changes the age at which you have to start taking required minimum distributions from 70 ½ to 72. The law excludes people who turned 70 ½ on or before December 31, 2019. We are awaiting guidance from the IRS on how this new law should be implemented. Please be aware that the resource you're trying to access has not been updated for the new law.


Considering Your  
Next Move?





# You Have Options.

Now that you've left federal service, you may be considering what to do about your TSP account. This leaflet explains the options you can choose from. Be aware that if you're under age 55 and make a withdrawal, you may be subject to the IRS 10% early withdrawal penalty tax. For more information and exceptions to the rule, please read the TSP tax notice *Important Tax Information About Payments From Your TSP Account*.

 **Leave your money in the TSP.** Unless you're subject to required minimum distributions<sup>1</sup> or you have a balance of less than \$200,<sup>2</sup> there's no requirement for you to make withdrawals from your account. So you can leave your entire account balance in the TSP and continue to enjoy our low administrative expenses. You won't be able to make employee contributions, but your account will continue to accrue earnings. And you can continue to change the way your money is invested in the TSP investment funds by making interfund transfers. Plus, if you have both a uniformed services and a civilian TSP account, you may be able to combine both accounts into one if you do so before the year in which you turn 70½.

 **Begin receiving installment payments.** You can choose to receive payments from your account monthly, quarterly (every three months), or annually. Your payments will continue, unless you stop them, until your total account balance equals zero. Tell us the amount you want to receive in each payment (\$25 minimum) or have us calculate a payment amount based on life expectancy. You can stop or make changes to your payments at any time.

 **Take single withdrawals.** You can withdraw any amount of \$1,000 or more from your account in a single payment. There is no limit on the number of single withdrawals you can make, but we will not process more than one in any 30-day period. You are allowed to take single withdrawals even if you're currently receiving installment payments.

 **Purchase an annuity.** You can use all or part of your TSP account to purchase a life annuity through our outside vendor. Purchasing an annuity means that you pay now to receive monthly payments that last for the rest of your life or, if you choose a joint life annuity, the life of your joint annuitant. See the TSP fact sheet *Annuities* for more information.

You can transfer single withdrawals and installment payments expected to last less than 10 years and not based on life expectancy to an IRA or eligible employer plan.

Before you request any withdrawal, read the booklet *Withdrawing from Your TSP Account for Separated and Beneficiary Participants* as well as the tax notice mentioned earlier. Go to [tsp.gov](http://tsp.gov) to find TSP publications, calculators to help you estimate TSP installment payments and annuity payments, and other information to help you make an informed decision. We're ready to assist you with any questions you might have. You can contact a Participant Service Representative through the ThriftLine, or you can write to the TSP:

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

**Note:** Please include your entire TSP account number on any written correspondence to the TSP.

<sup>1</sup> The Internal Revenue Code requires that you receive a portion of your TSP account beginning in the calendar year when you become age 70½ and are separated from service.

<sup>2</sup> If your vested account balance is less than \$200 after your agency or service reports that you have left service, your balance will be automatically paid directly to you in a single payment. If it's less than \$5 when you leave service, it will be forfeited to the TSP.

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TSP Website:	ThriftLine:	TDD:
<a href="http://tsp.gov">tsp.gov</a>	1-877-968-3778 Outside the U.S. and Canada: 404-233-4400	1-877-847-4385

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# Remember:



Keep us informed of any changes in your mailing address or other personal information that we maintain. Otherwise, you may not receive your participant statements and other important mailings, including installment and RMD checks. If you close your account, you should also inform us of any address change through January of the following year, so that you will receive tax reporting information about your withdrawal.



Important information that you will need to make a withdrawal decision is contained in the booklet *Withdrawing from Your TSP Account for Separated and Beneficiary Participants* and the TSP tax notice *Important Tax Information About Payments From Your TSP Account*.



If you want to make a withdrawal, log into My Account at [tsp.gov](https://tsp.gov) and click on the “Withdrawals and Changes to Installment Payments” link on the menu. From there you’ll have access to an online tool with which to start your withdrawal. If you’re unmarried, not transferring your money to an IRA or eligible employer plan, and not purchasing an annuity, you may be able to complete the entire transaction online. But if that doesn’t describe you, you’ll still only have to complete and mail in the pages requiring signatures.

