§ 1651.1 Definitions.
(a) Definitions generally applicable to the Thrift Savings Plan are set forth at 5 CFR 1690.1.
(b) As used in this subpart:
Administrative finding means an evidence-based determination reached by a hearing, inquiry, investigation, or trial before an administrative agency of competent jurisdiction in any State, territory or possession of the United States.
Death benefit means the portion of a deceased participant’s account that is payable under FERSA’s order of precedence.
Domicile means the participant’s place of residence for purposes of state income tax liability.
Order of precedence means the priority of entitlement to a TSP death benefit specified in 5 U.S.C. 8424(d).
TIN means a taxpayer identification number. A TIN may be a Social Security number (SSN), an employer identification number (EIN), or an individual taxpayer identification number (ITIN).

§ 1651.2 Entitlement to funds in a deceased participant’s account.
(a) Death benefits. Except as provided in paragraph (b) of this section, the account balance of a deceased participant will be paid as a death benefit to the individual or individuals surviving the participant, in the following order of precedence:
(1) To the beneficiary or beneficiaries designated by the participant on the TSP designation of beneficiary form that has been properly completed and filed in accordance with §1651.3;
(2) If there is no designated beneficiary, to the spouse of the participant in accordance with §1651.5;
(3) If there are no beneficiaries or persons as described in paragraphs (a)(1) through (a)(2) of this section, to the child or children of the participant and descendants of deceased children by representation in accordance with §1651.6;
(4) If there are no beneficiaries or persons as described in paragraphs (a)(1) through (a)(3) of this section, to the parents of the participant in equal shares or entirely to the surviving parent in accordance with §1651.7;
(5) If there are no beneficiaries or persons as described in paragraphs (a)(1) through (a)(4) of this section, to the duly appointed executor or administrator of the estate of the participant in accordance with §1651.8;
(6) If there are no beneficiaries or persons as described in paragraphs (a)(1) through (a)(5) of this section, to the next of kin of the participant who is or are entitled under the laws of the state of the participant’s domicile on the date of the participant’s death in accordance with §1651.9.
(b) TSP withdrawals. If the TSP processes a notice that a participant has died, it will cancel any pending request by the participant to withdraw his or her account. The TSP will also cancel an annuity purchase made on or after the participant’s date of death but before annuity payments have begun, and the annuity vendor will return the funds to the TSP. The funds designated by the participant for the withdrawal will be paid as a death benefit in accordance with paragraph (a) of this section, unless the participant elected to withdraw his or her account in the form of an annuity, in which case the funds designated for the purchase of the annuity will be paid as described below:
(1) If the participant requested a single life annuity with no cash refund or 10-year certain feature, the TSP will pay the funds as a death benefit in accordance with paragraph (a) of this section.
(2) If the participant requested a single life annuity with a cash refund or 10-year certain feature, the TSP will pay the funds as a death benefit to the beneficiary or beneficiaries designated by the participant on the annuity portion of the TSP withdrawal request form, or as a death benefit in accordance with paragraph (a) of this section if no beneficiary designated on the withdrawal request survives the participant.
(3) If the participant requested a joint life annuity without additional features, the TSP will pay the funds as
Designation of beneficiary.

(a) Filing requirements. To designate a beneficiary of a TSP account, a participant must complete and file a TSP designation of beneficiary form with the TSP record keeper. A participant may designate more beneficiaries than the TSP form accommodates by attaching additional pages to the TSP designation of beneficiary form in accordance with the instructions on the form. A valid TSP designation of beneficiary remains in effect until it is properly canceled or changed as described in §1651.4.

(b) Eligible beneficiaries. Any individual, firm, corporation, or legal entity, including the U.S. Government, may be designated as a beneficiary. Any number of beneficiaries can be named to share the death benefit. A beneficiary may be designated without the knowledge or consent of that beneficiary or the knowledge or consent of the participant’s spouse. A participant may designate a custodian under the Uniform Transfers to Minors Act provided that the custodianship is established under the laws of the District of Columbia and that the participant designates the custodianship using the Agency’s designation of custodian form.

(c) Validity requirements. To be valid and accepted by the TSP record keeper, a TSP designation of beneficiary form must:

1. Be received by the TSP record keeper on or before the date of the participant’s death;
2. Identify the participant in such a manner so that the Agency can locate his or her TSP account;
3. Be signed and properly dated by the participant and signed and properly dated by two witnesses;
   (i) The participant must either sign the form in the presence of the witnesses or acknowledge his or her signature on the form to the witnesses;
   (ii) All submitted and attached pages must be signed by the participant, dated by the participant, and witnessed in the same manner (by the same witnesses) as the form itself and must follow the format of the TSP designation of beneficiary form;
   (iii) A witness must be age 21 or older; and

(d) Investment of a TSP account upon notice of death. If a participant dies with any portion of his or her TSP account in a TSP Fund other than the G Fund, the TSP will transfer the entire account into the G Fund after it processes a notice that the participant has died, or a death code from the participant’s employing agency reporting the participant’s death. The account will accrue earnings at the G Fund rate in accordance with 5 CFR part 1645 until it is paid out under this part.