

§ 1601.40

5 CFR Ch. VI (1–1–19 Edition)

**Subpart E—Lifecycle Funds**

**§ 1601.40 Lifecycle Funds.**

The Executive Director will establish TSP Lifecycle Funds, which are target date asset allocation portfolios. The TSP Lifecycle Funds will invest solely in the funds established by the TSP pursuant to 5 U.S.C. 8438.

[70 FR 32208, June 1, 2005]

**PART 1603—VESTING**

Sec.

1603.1 Definitions.

1603.2 Basic vesting rules.

1603.3 Service requirements.

AUTHORITY: 5 U.S.C. 8432(g), 8432b(h)(1), 8474(b)(5) and (c)(1).

SOURCE: 52 FR 29835, Aug. 12, 1987, unless otherwise noted.

**§ 1603.1 Definitions.**

(a) Definitions generally applicable to the Thrift Savings Plan are set forth at 5 CFR 1690.1.

(b) As used in this part:

*Civilian service* means:

(1) Any non-military service that is creditable under either 5 U.S.C. chapter 83, subchapter III, or 5 U.S.C. 8411. However, that service is to be determined without regard to any time limitations, any deposit or redeposit requirements contained in those statutory provisions after performing the service involved, or any requirement that the individual give written notice of that individual's desire to become subject to the retirement system established by 5 U.S.C. chapters 83 or 84; or

(2) Any military service creditable under the provisions of 5 U.S.C. 8432b(h)(1) and the regulations at 5 CFR part 1620, subpart H.

*Uniformed services* means the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and National Oceanic and Atmospheric Administration, as well as members of the Ready Reserve including the National Guard.

*Military service* means service that is creditable under 37 U.S.C. 205.

*Vested* means those amounts in an individual account which are nonforfeitable.

*Year of service* means one full calendar year of service.

[68 FR 35497, June 13, 2003, as amended at 82 FR 60104, Dec. 19, 2017]

**§ 1603.2 Basic vesting rules.**

(a) All amounts in a CSRS employee's individual account are immediately vested.

(b) Except as provided in paragraph (c) of this section, all amounts in a FERS employee's or uniformed service member's individual account (including all first conversion contributions) are immediately vested.

(c) Except as provided in paragraph (d) of this section, upon separation from Government service without meeting the applicable service requirements of § 1603.3, a FERS employee's or a BRS uniformed service member's Agency Automatic (1%) Contributions and attributable earnings will be forfeited.

(d) If a FERS employee or uniformed service member dies (or died) after January 7, 1988, without meeting the applicable service requirements set forth in § 1603.3, the Agency Automatic (1%) Contributions and attributable earnings in his or her individual account are deemed vested and shall not be forfeited. If a FERS employee died on or before January 7, 1988, without meeting those service requirements, his or her Agency Automatic (1%) Contributions and attributable earnings are forfeited to the Thrift Savings Plan.

[82 FR 60104, Dec. 19, 2017]

**§ 1603.3 Service requirements.**

(a) Except as provided under paragraph (b) of this section, FERS employees will be vested in their Agency Automatic (1%) Contributions and attributable earnings upon separating from Government only if, as of their separation date, they have completed three years of civilian service.

(b) FERS employees will be vested in their Agency Automatic (1%) Contributions and attributable earnings upon separating from Government service if, as of their separation date, they have completed two years of civilian service and they are serving in one of the following positions:

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(1) A position in the Senior Executive Service as a non-career appointee (as defined in 5 U.S.C. 3132(a)(7));

(2) Positions listed in 5 U.S.C. 5312, 5313, 5314, 5315 or 5316;

(3) A position placed in level IV or level V of the Executive Schedule, pursuant to 5 U.S.C. 5317;

(4) A position in the Executive Branch which is excepted from the competitive service by the Office of Personnel Management because of the confidential and policy-determining character of the position; or

(5) A Member of Congress or a Congressional employee.

(c) Uniformed service members who are covered by BRS will be vested in their Agency Automatic (1%) Contributions and attributable earnings upon separation from the uniformed services only if, as of their separation date, they have completed two years of military service.

[52 FR 29835, Aug. 12, 1987, as amended at 60 FR 24535, May 9, 1995; 62 FR 33969, June 23, 1997; 82 FR 60104, Dec. 19, 2017]

### PART 1604 [RESERVED]

### PART 1605—CORRECTION OF ADMINISTRATIVE ERRORS

#### Subpart A—General

Sec.

1605.1 Definitions.

1605.2 Calculating, posting, and charging breakage on late contributions and loan payments.

1605.3 Calculating, posting, and charging breakage on errors involving investment in the wrong fund.

#### Subpart B—Employing Agency Errors

1605.11 Makeup of missed or insufficient contributions.

1605.12 Removal of erroneous contributions.

1605.13 Back pay awards and other retroactive pay adjustments.

1605.14 Misclassified retirement system coverage.

1605.15 Reporting and processing late contributions and late loan payments.

1605.16 Claims for correction of employing agency errors; time limitations.

1605.17 Redesignation and recharacterization.

#### Subpart C—Board or TSP Record Keeper Errors

1605.21 Plan-paid breakage and other corrections.

1605.22 Claims for correction of Board or TSP record keeper errors; time limitations.

#### Subpart D—Miscellaneous Provisions

1605.31 Contributions missed as a result of military service.

AUTHORITY: 5 U.S.C. 8351, 8432a, 8432d, 8474(b)(5) and (c)(1). Subpart B also issued under section 1043(b) of Public Law 104-106, 110 Stat. 186 and §7202(m)(2) of Public Law 101-508, 104 Stat. 1388.

SOURCE: 66 FR 44277, Aug. 22, 2001, unless otherwise noted.

### Subpart A—General

#### § 1605.1 Definitions.

(a) Definitions generally applicable to the Thrift Savings Plan are set forth at 5 CFR 1690.1.

(b) As used in this part:

“*As of*” date means the date on which a TSP contribution or other transaction entailing acquisition of investment fund shares should have taken place. Employing agencies use this date on payment records to report makeup or late contributions or late loan payments.

*Attributable pay date* means:

(i) The pay date of a contribution that is being redesignated from traditional to Roth, or vice versa;

(ii) In the case of the uniformed services, the pay date of a contribution that is being recharacterized from tax-deferred to tax-exempt, or vice versa; or

(iii) The pay date of an erroneous contribution for which a negative adjustment is being made. However, if the erroneous contribution for which a negative adjustment is being made was a makeup or late contribution, the attributable pay date is the “as of” date of the erroneous makeup or late contribution.

*Breakage* means the loss incurred or the gain realized on makeup or late contributions. It is the difference between the value of the shares of the applicable investment fund(s) that would have been purchased had the contribution been made on the “as of” date and