

to a number of factors, including some that are outside of the control of the TSP, such as power outages, the failure of telephone service, unusually heavy transaction volume, and acts of God. These factors also could affect the availability of the TSP Web site and the ThriftLine. Therefore, the TSP cannot guarantee that a transaction request will be processed on a particular day. However, the TSP will process transaction requests under ordinary circumstances according to the following rules:

(1) A transaction request entered into the TSP record keeping system by a participant who uses the TSP Web site or the ThriftLine, or by a TSP Service Office participant service representative at the participant's request, before 12 noon eastern time of any business day, will ordinarily be posted that business day. A transaction request entered into the system at or after 12 noon eastern time of any business day will ordinarily be posted on the next business day.

(2) A transaction request made on the TSP Web site or the ThriftLine on a non-business day will ordinarily be posted on the next business day.

(3) A transaction request made on a paper TSP form will ordinarily be posted under the rules in paragraph (a)(1) of this section, based on when the TSP record keeper enters the form into the TSP system. The TSP record keeper ordinarily enters such forms into the system within 24 hours of their receipt.

(4) In most cases, the share price(s) applied to an interfund transfer request is the value of the shares on the date the relevant transaction is posted. In some circumstances, such as error correction, the share price(s) for an earlier date will be used.

(b) *Limit.* There is no limit on the number of contribution allocation requests. A participant may make two unrestricted interfund transfers (account rebalancings) per account (e.g., civilian or uniformed services), per calendar month. An interfund transfer will count toward the monthly total on the date posted by the TSP and not on the date requested by a participant. After a participant has made two interfund transfers in a calendar month, the participant may make addi-

tional interfund transfers only into the G Fund until the first day of the next calendar month.

[70 FR 32208, June 1, 2005, as amended at 72 FR 73252, Dec. 27, 2007; 73 FR 22057, Apr. 24, 2008; 75 FR 68169, Nov. 5, 2010]

§ 1601.33 Acknowledgment of risk.

(a) Uniformed services participants who first entered service prior to January 1, 2018 and who have not elected to be covered by BRS and civilian participants who enrolled prior to September 5, 2015 must execute an acknowledgment of risk in order to invest in a TSP Fund other than the G Fund. If a required acknowledgment of risk has not been executed, no transactions involving the fund(s) for which the acknowledgment is required will be accepted.

(b) The acknowledgment of risk may be executed in association with a contribution allocation or an interfund transfer using the TSP Web site, the ThriftLine, or a paper TSP form.

[70 FR 32208, June 1, 2005, as amended at 80 FR 52174, Aug. 28, 2015; 82 FR 60103, Dec. 19, 2017]

§ 1601.34 Error correction.

Errors in processing contribution allocations and interfund transfer requests, or errors that otherwise cause money to be invested in the wrong investment fund, will be corrected in accordance with the error correction regulations found at 5 CFR part 1605.

[66 FR 22093, May 2, 2001. Redesignated at 70 FR 32208, June 1, 2005]

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.

§ 1603.1

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 require-

5 CFR Ch. VI (1-1-21 Edition)

ments 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:

(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 Resignation 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 the value of the shares of the same investment fund(s) on the date the contribution is posted to the account.

BRS participant means any member of the Uniformed Services described in 5 U.S.C. 8440e(e)(1).

Error means any act or omission by the Board, the TSP Record Keeper, or the participant’s employing agency that is not in accordance with applicable statutes, regulations, or administrative procedures that are made available to employing agencies and/or TSP participants. It does not mean an act or omission caused by events that are beyond the control of the Board, the TSP Record Keeper, or the participant’s employing agency.