

TSP Modernization Act of 2017

[Public Law 115–84]

[This law has not been amended]

Currency: This publication is a compilation of the text of Public Law 115-84. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>

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AN ACT To amend title 5, United States Code, to provide for flexibility in making withdrawals from a Thrift Savings Plan account, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. [5 U.S.C. 101 note] SHORT TITLE.

This Act may be cited as the “TSP Modernization Act of 2017”.

SEC. 2. THRIFT SAVINGS PLAN ACCOUNT WITHDRAWAL FLEXIBILITY.

(a) POST-SEPARATION PARTIAL WITHDRAWALS.—Section 8433(c) of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking “and who has not made a withdrawal under subsection (h)(1)(A) may make one withdrawal” and inserting “may make one or more withdrawals”; and

(B) by striking “as a single payment” and inserting “in the same manner as a single payment is made”; and

(2) by adding at the end the following:

“(5) Withdrawals under this subsection shall be subject to such other limitations or conditions as the Executive Director may prescribe by regulation.”

(b) LIMITATION ON RETURN OF PAYMENT RELATING TO A CHANGE IN ELECTION.—Section 8433(d) of title 5, United States Code, is amended—

(1) in paragraph (1), by inserting “, except that in the case of an election to receive an annuity, a former employee or Member may not change an election under this section on or after the date on which an annuity contract is purchased to provide for the annuity elected by the former employee or Member” after “this subchapter”; and

(2) in paragraph (2)—

(A) by striking “change an” and inserting “return a payment that was made pursuant to an”; and

(B) by striking “on or after” and all that follows through “the former employee or Member”.

(c) **ELIMINATION OF AUTOMATIC ANNUITY IN ABSENCE OF ELECTION.**—Section 8433(f) of title 5, United States Code, is amended—

(1) by striking “(1) Notwithstanding” and inserting “Notwithstanding”;

(2) by striking “this paragraph” and inserting “this subsection”; and

(3) by striking paragraph (2).

(d) **ALLOWANCE OF MULTIPLE AGE-BASED IN-SERVICE WITHDRAWALS.**—Section 8433(h) of title 5, United States Code, is amended—

(1) by striking paragraph (2);

(2) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(3) in paragraph (3), as so redesignated, by inserting “limitations or” before “conditions”.

(e) **TECHNICAL AMENDMENT.**—Section 8432b(h)(2)(A) of title 5, United States Code, is amended by striking “section 8433(d), or paragraph (1) or (2) of section 8433(h)” and inserting “subsection (d) or (f) of section 8433”.

(f) **REGULATIONS.**—As soon as is practicable, as determined by the Executive Director of the Federal Retirement Thrift Investment Board, but not later than 2 years after the date of enactment of this Act, the Executive Director shall prescribe such regulations as are necessary to carry out the amendments made by this section.

(g) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date on which the regulations prescribed under subsection (f) take effect.