

into for all of the TSP core funds must equal 100 percent.

(2) The percentages elected by the participant will be applied to the balances in each source of contributions and to both traditional and Roth balances and tax-deferred and tax-exempt balances on the effective date of the fund transfer.

(b) A fund transfer request has no effect on deposits made after the effective date of the fund transfer request; subsequent deposits will continue to be allocated among the TSP core funds in accordance with the participant's investment election made under subpart B of this part.

(c) If a fund transfer is found to be invalid pursuant to §1601.34, the purported fund transfer will not be made.

Subpart D—Investment Elections and Fund Reallocation and Fund Transfer Requests

SOURCE: 87 FR 31675, May 24, 2022, unless otherwise noted.

§ 1601.31 Applicability.

This subpart applies to investment elections made under subpart B of this part, fund reallocations and fund transfers made under subpart C of this part, and fund transfers made under subpart F of this part.

§ 1601.32 Timing and posting dates.

(a) *Posting dates.* The date on which an investment election or fund reallocation or fund transfer request (transaction request) is processed is subject 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 website 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 described in paragraphs (a)(1) through (4) of this section:

(1) A transaction request other than an investment election request entered

into the TSP record keeping system by a participant who uses the TSP website or the ThriftLine, before 12 noon eastern time of any business day, will ordinarily be posted that business day. A transaction request other than an investment election 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. A transaction request that is an investment election request will ordinarily be posted immediately and be effective the next business day.

(2) A transaction request made on the TSP website 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 48 hours of their receipt.

(4) In most cases, the share price(s) applied to a fund reallocation or fund 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 investment election requests. A participant may make a total of two unrestricted fund reallocations and/or fund transfers per account (e.g., civilian or uniformed services), per calendar month. A fund reallocation or fund transfer will count toward the monthly total on the date posted by the TSP record keeper and not on the date requested by a participant. After a participant has made a total of two fund reallocations and/or fund transfers in a calendar month, the participant may make additional fund reallocations or fund transfers only into the G Fund until the first day of the next calendar month.

§ 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

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5, 2015, must execute an acknowledgment of risk in order to invest in a TSP core 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 an investment election, a fund reallocation, or a fund transfer in the form and manner prescribed by the TSP record keeper.

§ 1601.34 Error correction.

Errors in processing investment elections and fund reallocation or fund 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.

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 pursuant to 5 U.S.C. 8438(b)(1)(A)–(E).

[87 FR 31675, May 24, 2022]

Subpart F—Mutual Fund Window

SOURCE: 87 FR 27922, May 10, 2022, unless otherwise noted.

§ 1601.51 Applicability.

This subpart applies only to the transfer of amounts between the TSP core funds and the mutual fund window; it does not apply to the investment of future deposits, which is covered in subpart B of this part, or fund reallocations or fund transfers among the TSP core funds, which is covered in subpart C of this part.

§ 1601.52 Fund transfers.

(a) *Fund transfers into mutual fund window.* A participant may elect to make one or more fund transfers to the mutual fund window from the portion of his or her TSP balance invested in

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the TSP core funds, subject to the following rules:

(1) The participant must establish a mutual fund window account that is separate from his or her TSP account. A participant with more than one TSP account may establish a separate mutual fund window account for each TSP account, and the limitations and fees described in subpart will apply separately to each account;

(2) If the participant does not have an acknowledgment of risk on file as of the date of his or her initial fund transfer request to the mutual fund window, the participant must complete an acknowledgment of risk for the fund transfer to be processed;

(3) Fund transfers must be made in whole dollar increments (percentages are not permitted);

(4) The following limitations must be satisfied:

(i) A participant's initial fund transfer into his or her mutual fund window account must be at least \$10,000 and may not exceed 25 percent of the participant's TSP account balance, as of the date of such transfer; and

(ii) Subsequent fund transfers into a participant's mutual fund window account may not cause the balance in the participant's mutual fund window account to exceed 25 percent of the participant's total TSP balance, as of the date of any such transfer;

(5) Each fund transfer into the mutual fund window counts toward the monthly limit set forth in §1601.32(b);

(6) Amounts transferred to a participant's mutual fund window account will initially be invested in a sweep money market fund. Subsequently, the participant may direct the investment of the transferred amounts into any mutual fund(s) that are available through the mutual fund window;

(7) Fund transfers are subject to the fees set forth in §1601.53; and

(8) A participant may not withdraw funds directly from his or her mutual fund window account. To make a withdrawal, the participant must elect a fund transfer back to the TSP core funds as described in paragraph (b) of this section. Upon completion of such fund transfer, the participant may make a withdrawal in accordance with 5 CFR part 1650.