

(d) *Certification of truthfulness.* By completing a loan request, the participant certifies, under penalty of perjury, that all information provided to the TSP record keeper during the loan process is true and complete, including statements concerning the participant's marital status, the spouse's email or physical address at the time the application is filed, or the current spouse's consent to the loan.

[68 FR 35515, June 13, 2003, as amended at 68 FR 74451, Dec. 23, 2003; 87 FR 31694, May 24, 2022]

§ 1655.19 Effect of court order on loan.

Upon receipt of a document that purports to be a qualifying retirement benefits court order, qualifying legal process relating to a participant's legal obligation to provide child support or to make alimony payments, or a qualifying child abuse order, the participant's TSP account will be frozen. After the account is frozen, no loan will be allowed until the account is unfrozen. The Board's procedures for processing court orders and legal processes are explained in 5 CFR part 1653.

§ 1655.20 Residential loans.

(a) A residential loan will be made only for the purchase or construction of the primary residence of the participant, or for the participant and his or her spouse, and for the amount required to close on the purchase. The participant must actually bear all or part of the cost of the purchase. If the participant purchases a primary residence with someone other than his or her spouse, only the portion of the purchase costs that is borne by the participant will be considered in making the loan. A residential loan will not be made for the purpose of paying off an existing mortgage or otherwise providing financing for a previously purchased primary residence.

(b) The participant's primary residence is his or her principal residence. A primary residence may include a house, a townhouse, a condominium, a share in a cooperative housing corporation, or a mobile home; a primary residence does not include a second home or vacation home. A participant cannot have more than one primary residence.

(c) Purchase of a primary residence means acquisition of the residence through the exchange of cash or other property or through the total construction of a new residence. A residential loan will not be made for a lease-to-buy option, unless the option to buy is being exercised and the documentation states that the funds are being used to purchase the primary residence. Construction of an addition to or the renovation of a residence or the purchase of land only does not constitute the purchase of a primary residence.

(d) The amount required to close on the purchase of a primary residence does not include points or loan origination fees charged for a loan. In addition, real estate taxes cannot be included.

(e) The documentation required for a loan under this section is as follows:

(1) For all purchases, except for construction, a signed sale/purchase contract/settlement offer or agreement or addendum; or

(2) For construction, a signed builder's agreement/contract; and

(3) For requests including closing costs and/or settlement charges, a loan estimate/worksheet/statement/closing disclosure from a mortgage company.

(f) The documentation provided under this section must meet the requirements set forth by the TSP record keeper.

[87 FR 31694, May 24, 2022]

§ 1655.21 Loan fee.

The TSP will charge a participant a \$50.00 loan fee when it disburses a general purpose loan and a \$100.00 loan fee when it disburses a residential loan and will deduct the applicable fee from the proceeds of the loan.

[87 FR 31695, May 24, 2022]

PART 1690—THRIFT SAVINGS PLAN

Subpart A—General

Sec.

1690.1 Definitions.

Subpart B—Miscellaneous

1690.11 Plan year.

1690.12 Power of attorney.

1690.13 Guardianship and conservatorship orders.

§ 1690.1

1690.14 Checks made payable to the Thrift Savings Plan

1690.15 Freezing an account—administrative holds.

AUTHORITY: 5 U.S.C. 8474.

SOURCE: 68 FR 35519, June 13, 2003, unless otherwise noted.

Subpart A—General

§ 1690.1 Definitions.

As used in this chapter:

Agency automatic (1%) contributions means any contributions made under 5 U.S.C. 8432(c)(1) and (c)(3). It also includes service automatic (1%) contributions made under 5 U.S.C. 8440e(e)(3)(A).

Agency matching contributions means any contributions made under 5 U.S.C. 8432(c)(2). It also includes service matching contributions under 5 U.S.C. 8440e(e)(3)(B).

Basic pay means basic pay as defined in 5 U.S.C. 8331(3). For CSRS and FERS employees, it is the rate of pay used in computing any amount the individual is otherwise required to contribute to the Civil Service Retirement and Disability Fund as a condition of participating in the Civil Service Retirement System or the Federal Employees' Retirement System, as the case may be. For members of the uniformed services, it is basic pay payable under 37 U.S.C. 204 and compensation received under 37 U.S.C. chapter 206.

Beneficiary participant means a spouse beneficiary for whom the TSP maintains a beneficiary participant account pursuant to 5 U.S.C. 8433(e) and in accordance with 5 CFR 1651.19.

Beneficiary participant account means an account maintained pursuant to 5 U.S.C. 8433(e) and in accordance with 5 CFR 1651.19. The term includes both civilian beneficiary participant accounts and uniformed services beneficiary participant accounts.

Board means the Federal Retirement Thrift Investment Board established under 5 U.S.C. 8472.

Bonus contributions means contributions made by a participant from any part of any special or incentive pay that the participant receives under chapter 5 of title 37.

BRS means the blended retirement system as established by the National

5 CFR Ch. VI (1–1–23 Edition)

Defense Authorization Act for FY 2016, Public Law 114–92, secs. 631–635 (2015).

BRS participant means a TSP participant covered by BRS.

C Fund means the Common Stock Index Investment Fund established under 5 U.S.C. 8438(b)(1)(C).

Catch-up contributions means TSP contributions from basic pay that are made by participants age 50 and over, which exceed the elective deferral limit of 26 U.S.C. 402(g) and meet the requirements of 5 CFR 1600.23.

Civilian account means a TSP account to which contributions have been made by or on behalf of a civilian employee.

Civilian beneficiary participant account means a beneficiary participant account that is established with a death benefit payment from a TSP account to which contributions were made by or on behalf of a civilian employee.

Civilian employee or civilian participant means a TSP participant covered by the Federal Employees' Retirement System, the Civil Service Retirement System, or equivalent retirement plan.

Contribution election means a request by an employee to start contributing to the TSP, to change the amount or type of contributions (traditional or Roth) made to the TSP each pay period, or to terminate contributions to the TSP.

Court of competent jurisdiction means the court of any state, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, or the Virgin Islands, and any Indian court as defined by 25 U.S.C. 1301(3).

CSRS means the Civil Service Retirement System established by 5 U.S.C. chapter 83, subchapter III, or any equivalent Federal retirement system.

CSRS employee or *CSRS participant* means any employee or participant covered by CSRS.

Date of appointment means the effective date of an employee's accession as established by the current employing agency.

Day means calendar day, unless otherwise stated.

Eligible employer plan means a plan qualified under I.R.C. section 401(a) (26 U.S.C. 401(a)), including a section 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money

Federal Retirement Thrift Investment Board

§ 1690.1

purchase plan; an annuity plan described in I.R.C. section 403(a) (26 U.S.C. 403(a)); an annuity contract described in I.R.C. section 403(b) (26 U.S.C. 403(b)); and an eligible deferred compensation plan described in I.R.C. section 457(b) (26 U.S.C. 457(b)) which is maintained by an eligible employer described in I.R.C. section 457(e)(1)(A) (26 U.S.C. 457(e)(1)(A)).

Employee contributions means traditional contributions and Roth contributions. Employee contributions are made at the participant's election pursuant to §1600.12 and are deducted from compensation paid to the employee.

Employer contributions means agency automatic (1%) contributions under 5 U.S.C. 8432(c)(1), 8432(c)(3), or 5 U.S.C. 8440e(e)(3)(A) and agency matching contributions under 5 U.S.C. 8432(c)(2) or 5 U.S.C. 8440e(e)(3)(B).

Employing agency means the organization (or the payroll office that services the organization) that employs an individual eligible to contribute to the TSP and that has authority to make personnel compensation decisions for the individual. It includes the employing service for members of the uniformed services.

Executive Director means the Executive Director of the Federal Retirement Thrift Investment Board under 5 U.S.C. 8474.

F Fund means the Fixed Income Investment Fund established under 5 U.S.C. 8438(b)(1)(B).

Federal civilian retirement system means the Civil Service Retirement System established by 5 U.S.C. chapter 83, subchapter III, the Federal Employees' Retirement System established by 5 U.S.C. chapter 84, or any equivalent Federal civilian retirement system.

FERS means the Federal Employees' Retirement System established by 5 U.S.C. chapter 84 or any equivalent Federal retirement system.

FERS employee or *FERS participant* means any employee or TSP participant covered by FERS.

FERSA means the Federal Employees' Retirement System Act of 1986 (FERSA), Public Law 99-335, 100 Stat. 514. The provisions of FERSA that govern the TSP are codified primarily in subchapters III and VII of Chapter 84 of Title 5, United States Code.

Former spouse means (as defined at 5 U.S.C. 8401(12)) the former spouse of a TSP participant if the participant performed at least 18 months of civilian service creditable under 5 U.S.C. 8411 as an employee or member, and if the participant and former spouse were married to one another for at least nine months.

G Fund means the Government Securities Investment Fund established under 5 U.S.C. 8438(b)(1)(A).

G Fund interest rate means the interest rate computed under 5 U.S.C. 8438(e)(2).

I Fund means the International Stock Index Investment Fund established under 5 U.S.C. 8438(b)(1)(E).

In-service withdrawal request means a properly completed withdrawal election for either an age-based in-service withdrawal under 5 CFR 1650.41 or a financial hardship in-service withdrawal under 5 CFR 1650.42.

Investment election means the participant's apportionment of his or her future contributions, loan payments, and rollovers from eligible employer plans or traditional IRAs among the TSP core funds.

L Fund means the Lifecycle Funds described in 5 CFR part 1601, subpart E.

PEBD means the pay entry base date (or pay entry basic date for some services), which is determined by each uniformed service and is used to calculate how much time in service a member has for the purpose of determining longevity pay rates.

Plan participant or *participant* means any person with an account (other than a beneficiary participant account) in the Thrift Savings Plan or who would have an account (other than a beneficiary account) but for an employing agency error.

Post-employment distribution request means a properly completed distribution withdrawal election under 5 CFR 1650.24.

Posting means the process of crediting or debiting transactions to an individual account.

Posting date means the date on which a transaction is credited or debited to a participant's account.

Ready Reserve means those members of the uniformed services described at 10 U.S.C. 10142.

Regular employee contributions mean TSP contributions from taxable basic pay that are subject to the Internal Revenue Code limits on elective deferrals and contributions to qualified plans (26 U.S.C. 402(g) and 415(c), respectively), and the maximum contribution percentage limits of 5 U.S.C. 8351(b), 5 U.S.C. 8432(a), or 5 U.S.C. 8440f(a).

Roth 5 year non-exclusion period means the period of five consecutive calendar years beginning on the first day of the calendar year in which the participant's Roth initiation date occurs. It is the period described in section 402A(d)(2)(B) of the Internal Revenue Code.

Roth balance means the sum of:

- (1) Roth contributions and associated earnings; and
- (2) Amounts rolled over to the TSP from a Roth account maintained by an eligible employer plans and earnings on those amounts.

Roth contributions means employee contributions made to the participant's Roth balance which are authorized by 5 U.S.C. 8432d. Roth contributions may be deducted from taxable pay on an after-tax basis or from pay exempt from taxation under 26 U.S.C. 112.

Roth initiation date means

- (1) The earlier of:
 - (i) The actual date of a participant's first Roth contribution to the TSP;
 - (ii) The "as of" date or attributable pay date (as defined in §1605.1 of this subchapter) that established the date of the participant's first Roth contribution to the TSP; or
 - (iii) The date used, by a plan from which the participant directly rolled over Roth money into the TSP, to measure the participant's Roth 5 year non-exclusion period.
- (2) If a participant has a civilian account and a uniformed services account, the Roth initiation date for both accounts will be the same.

Roth IRA means an individual retirement plan described in Internal Revenue Code section 408A (26 U.S.C. 408A).

S Fund means the Small Capitalization Stock Index Investment Fund established under 5 U.S.C. 8438(b)(1)(D).

Separation from Government service means generally the cessation of employment with the Federal Govern-

ment. For civilian employees it means termination of employment with the U.S. Postal Service or with any other employer from a position that is deemed to be Government employment for purposes of participating in the TSP for 31 or more full calendar days. For uniformed services members, it means the discharge from active duty or the Ready Reserve or the transfer to inactive status or to a retired list pursuant to any provision of title 10 of the United States Code. The discharge or transfer may not be followed, before the end of the 31-day period beginning on the day following the effective date of the discharge, by resumption of active duty, an appointment to a civilian position covered by the Federal Employees' Retirement System, the Civil Service Retirement System, or an equivalent retirement system, or continued service in or affiliation with the Ready Reserve. Reserve component members serving on full-time active duty who terminate their active duty status and subsequently participate in the drilling reserve are said to continue in the Ready Reserve. Active component members who are released from active duty and subsequently participate in the drilling reserve are said to affiliate with the Ready Reserve.

Share means a portion of a TSP Fund. Transactions are posted to accounts in shares at the share price of the date the transaction is posted. The number of shares for a transaction is calculated by dividing the dollar amount of the transaction by the share price of the appropriate date for the fund in question. The number of shares is computed to four decimal places.

Share price means the value of a share in a TSP Fund. The share price is calculated separately for each fund for each business day. The share price includes the cumulative net earnings or losses for each fund through the date the share price is calculated.

Source of contributions means traditional contributions, Roth contributions, agency automatic (1%) contributions, or agency matching contributions. All amounts in a participant's account are attributed to one of these four sources. Catch-up contributions,

rollovers, and loan payments are included in the traditional contribution source or the Roth contribution source.

Special or incentive pay means pay payable as special or incentive pay under 37 U.S.C. chapter 5.

Spouse means the person to whom a TSP participant is married on the date he or she signs a form on which the TSP requests spousal information. Where a participant is seeking to reclaim an account that has been forfeited pursuant to 5 CFR 1650.16, spouse means the person to whom the participant was married on the withdrawal deadline. For purposes of 5 CFR 1651.5 and 5 CFR 1651.19, spouse means the person to whom the participant was married on the date of the participant's death. A TSP participant is considered to be married even if the parties are separated, unless a court decree of divorce or annulment has been entered. The laws of the jurisdiction in which the marriage was initially established will be used to determine whether a TSP participant is married.

Tax-deferred balance means the sum of:

- (1) All contributions and rollovers in a participant's traditional balance that would otherwise be includible in gross income if paid directly to the participant and earnings on those amounts; and

- (2) Earnings on any tax-exempt contributions in the traditional balance. The tax-deferred balance does not include tax-exempt contributions.

Tax-deferred contributions means employee contributions made to a participant's traditional balance that would otherwise be includible in gross income if paid directly to the participant.

Tax-exempt balance means the sum of tax-exempt contributions within a participant's traditional balance. It does not include earnings on such contributions. Only a traditional balance in a uniformed services participant account or a uniformed services beneficiary participant account may contain a tax-exempt balance.

Tax-exempt contributions means employee contributions made to the participant's traditional balance from pay which is exempt from taxation by 26 U.S.C. 112. The Federal income tax exclusion at 26 U.S.C. 112 is applicable to

compensation for active service during a month in which a uniformed service member serves in a combat zone. The term "tax-exempt contributions" does not include contributions made to the participant's Roth balance from pay which is exempt from taxation by 26 U.S.C. 112.

Thrift Savings Fund or Fund means the Fund described in 5 U.S.C. 8437.

Thrift Savings Plan, TSP, or Plan means the Thrift Savings Plan established under subchapters III and VII of the Federal Employees' Retirement System Act of 1986, 5 U.S.C. 8351 and 8401-8479.

ThriftLine means the automated voice response system by which TSP participants may, among other things, access their accounts by telephone. The ThriftLine can be reached at (877) 968-3778.

Traditional balance means the sum of:

- (1) Tax-deferred contributions and associated earnings;

- (2) Tax-deferred amounts rolled over into the TSP and associated earnings;

- (3) Tax-exempt contributions and associated earnings;

- (4) Agency matching contributions and associated earnings;

- (5) Agency automatic (1%) contributions and associated earnings.

Traditional contributions means tax-deferred employee contributions and tax-exempt employee contributions made to the participant's traditional balance.

Traditional IRA means an individual retirement account described in I.R.C. section 408(a) (26 U.S.C. 408(a)) and an individual retirement annuity described in I.R.C. section 408(b) (26 U.S.C. 408(b)) (other than an endowment contract).

TSP core fund means an investment fund established pursuant to 5 U.S.C. 8438(b)(1)(A)-(E) and (c)(2).

TSP record keeper means the entities the Board engages to perform record keeping and administration services for the Thrift Savings Plan.

TSP record keeper means the entities the Board engages to perform record keeping and administration services for the Thrift Savings Plan.

TSP website means the internet location(s) maintained by the TSP and/or

§ 1690.11

5 CFR Ch. VI (1–1–23 Edition)

its record keeper, which contain(s) information about the TSP and by which TSP participants may, among other things, access their accounts by computer.

Uniformed service member or *uniformed services participant* means a TSP participant who is a member of the uniformed services on active duty or a member of the Ready Reserve in any pay status.

Uniformed services means the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service Commissioned Corps, and the National Oceanic and Atmospheric Administration Commissioned Officer Corps.

Uniformed services account means a TSP account to which contributions have been made by or on behalf of a member of the uniformed services.

Uniformed services beneficiary participant account means a beneficiary participant account that is established with a death benefit payment from a TSP account to which contributions were made by or on behalf of a member of the uniformed services.

Vested account balance means that portion of an individual's account which is not subject to forfeiture under 5 U.S.C. 8432(g).

[68 FR 35519, June 13, 2003, as amended at 70 FR 32218, June 1, 2005; 71 FR 50320, Aug. 25, 2006; 75 FR 78880, Dec. 17, 2010; 77 FR 26429, May 4, 2012; 78 FR 57784, Sept. 20, 2013; 82 FR 60105, Dec. 19, 2017; 87 FR 31695, May 24, 2022]

EDITORIAL NOTE: At 77 FR 26429, May 4, 2012, §1690.1 was amended by removing the definitions of “regular contributions” and “combat zone compensation”; however, the amendatory instruction could not be incorporated because the definitions were not found in the section.

Subpart B—Miscellaneous

§ 1690.11 Plan year.

The Thrift Savings Plan's plan year is established on a calendar-year basis for all purposes, except where another applicable provision of law requires that a fiscal year or other basis be used. As used in this section, the term “calendar-year basis” means a twelve-month period beginning on January 1 and ending on December 31 of the same year.

§ 1690.12 Power of attorney.

(a) A participant or beneficiary can appoint an agent to conduct business with the TSP on his or her behalf by using a power of attorney (POA). The agent is called an attorney-in-fact. The TSP record keeper must approve a POA before the agent can conduct business with the TSP; however, the TSP record keeper will accept a document that was signed by the agent before the TSP record keeper approved the POA. The TSP record keeper will approve a POA if it meets the following conditions:

(1) The POA must give the agent either general or specific powers, as explained in paragraphs (b) and (c) of this section;

(2) The POA must be signed by the participant;

(3) The POA must provide the names and addresses of the participant and the agent;

(4) The POA must meet the state law requirements of the participant's state of domicile as determined by the address on file with the TSP record keeper;

(5) The POA must be a complete document; and

(6) The POA must be submitted to the TSP record keeper for approval.

(b) A general POA gives an agent unlimited authority to conduct business with the TSP, including the authority to sign any TSP-related document. Additional information regarding general powers of attorney can be accessed at <https://www.tsp.gov>.

(c) A specific power of attorney gives an agent the authority to conduct specific TSP transactions. A specific POA must expressly describe the authority it grants. Additional information regarding specific powers of attorney, as well as a sample form, can be accessed at <https://www.tsp.gov>.

[87 FR 31695, May 24, 2022]

§ 1690.13 Guardianship and conservatorship orders.

(a) A court order can authorize an agent to conduct business with the TSP on behalf of an incapacitated participant or beneficiary. The agent is called a guardian or conservator and the incapacitated person is called a

Federal Retirement Thrift Investment Board

§ 1690.15

ward. The TSP record keeper must approve a court order before an agent can conduct business with the TSP; however, the TSP record keeper will accept a document that was signed by the agent before the TSP record keeper approved the court order. The TSP record keeper will approve a court order appointing an agent if the following conditions are met:

(1) A court of competent jurisdiction (as defined at §1690.1) must have issued the court order;

(2) The court order must give the agent either general or specific powers, as explained in paragraphs (b) and (c) of this section; and

(3) The agent must demonstrate that he or she meets any precondition specified in the court order, such as a bonding requirement.

(b) A general grant of authority gives a guardian or conservator unlimited authority to conduct business with the TSP, including the authority to sign any TSP-related document. By way of example, an order gives a general grant authority by appointing a “guardian of the ward’s estate,” by permitting a guardian to “conduct business transactions” for the ward, or by authorizing a guardian to care for the ward’s “personal property” or “Federal Government retirement benefits.”

(c) A specific grant of authority gives a guardian or conservator authority to conduct specific TSP transactions. Such an order must expressly describe the authority it grants. By way of example, an order may authorize an agent to “obtain information about the ward’s TSP account” or “borrow or withdraw funds from the ward’s TSP account.”

[87 FR 31696, May 24, 2022]

§ 1690.14 Checks made payable to the Thrift Savings Plan.

(a) *Accord and satisfaction.* The TSP does not agree to accept less than the total amount due by negotiating an in-

strument such as a check, share draft or money order with a restrictive legend on it (such as “payment in full” or “submitted in full satisfaction of claims”), or by negotiating an instrument that is conditionally tendered to the TSP with an offer of compromise.

(b) *TSP payment address.* The TSP record keeper has established an address for the receipt of specified TSP payments. The TSP record keeper will not answer correspondence mailed to that payment address.

[70 FR 32218, June 1, 2005, as amended at 87 FR 31696, May 24, 2022]

§ 1690.15 Freezing an account—administrative holds.

(a) The TSP record keeper may freeze (*e.g.*, place an administrative hold on) a participant’s account for any of the following reasons:

(1) Pursuant to a qualifying retirement benefits court order as set forth in part 1653 of this chapter;

(2) Pursuant to a request from the Department of Justice under the Mandatory Victims Restitution Act;

(3) Upon the death of a participant;

(4) Upon suspicion or knowledge of fraudulent account activity or identity theft;

(5) In response to litigation pertaining to an account;

(6) For operational reasons (*e.g.*, to correct a processing error or to stop payment on a check when account funds are insufficient);

(7) Pursuant to a written request from a participant made in the manner prescribed by the TSP record keeper; and

(8) For any other reason necessary to ensure the integrity of TSP accounts or compliance with law.

(b) [Reserved]

[87 FR 31696, May 24, 2022]

PARTS 1691–1699 [RESERVED]