

the maximum CSRS employee contribution is 7.5 percent of basic pay. Starting with the first pay period beginning on or after October 1, 1987, the maximum CSRS employee contribution is 5 percent of basic pay.

(c) *CSRS employees who transfer to FERS.* The maximum employee contribution for CSRS employees who have transferred to FERS and have elected to participate in the Thrift Savings Plan, as described in §1600.12, is 10 percent of basic pay.

(d) Section 402(g) of the Internal Revenue Code places a ceiling on the amount which an employee may save on a tax-deferred basis through plans such as the Thrift Savings Plan. Employee contributions to the Thrift Savings Plan may be restricted or refunded to conform with this limit.

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§ 1600.11 Required reductions of contribution rates.

The employing agency shall reduce the contribution of any FERS employee or CSRS employee whose elected contribution exceeds the applicable maximum percentage set forth in §1600.10 (a) or (b). For any FERS employee or CSRS employee covered by this section who has elected to contribute a percentage of basic pay, the employing agency shall automatically reduce the contribution rate to the applicable maximum percentage. For any FERS employee or CSRS employee covered by this section who has elected to contribute a whole dollar amount, the employing agency shall reduce the whole dollar amount to the highest whole dollar amount which does not exceed the applicable maximum percentage.

Subpart D—Civil Service Retirement System Employees

§ 1600.12 Election period for Civil Service Retirement System employees who transfer to the Federal Employees' Retirement System.

(a) *General.* Section 8432(b)(3) of the Act authorizes the Executive Director to provide a reasonable period following the election by an eligible CSRS employee to transfer to FERS

for that employee to make an election to contribute to the Thrift Savings Plan.

(b) *Individual election period.* Notwithstanding §1600.2(c), each CSRS employee who transfers to FERS may make an election to contribute to the Thrift Savings Plan at the same time the individual elects to become subject to FERS and for 30 calendar days after the effective date of such election. The election options set forth in §1600.4 shall be available to each such individual, and elections shall be made by the method described in §1600.6. An election to contribute to the Thrift Savings Plan shall become effective no later than the first day of the first pay period following the acceptance of the election form by the employing agency. Such individual shall be subject to all provisions of this part except as limited by §1600.10(c).

(c) Beginning upon the effective date of the employee's election to transfer to FERS, until the employee makes an election to contribute to the Thrift Savings Plan under paragraph (b) of this section, the rate of contribution as a CSRS employee will be considered to be the rate of contribution as a FERS employee. The preceding sentence shall not apply where the CSRS employee's contribution rate was 7.5%. In such case, until the employee elects otherwise, the employee's FERS contribution rate shall be 7%.

§ 1600.13 Contributions by Civil Service Retirement System employees.

(a) *General.* 5 U.S.C. 8351 permits CSRS employees to elect to contribute to the Thrift Savings Plan for investment in the Government Securities Investment Fund only. The initial open season for CSRS employees who were employees as of March 31, 1987 shall be February 15, 1987 through April 30, 1987. The next open season for such employees with no intervening break in employment shall be May 15, 1987 through July 31, 1987. An election made during an open season by a CSRS employee shall become effective as described in §1600.7.

(b) *Election upon reemployment.* A CSRS employee reemployed on or after