

## Federal Retirement Thrift Investment Board

## § 1601.2

U.S.C., and any equivalent Federal Government retirement plans;

*CSRS employee* or *CSRS participant* means any employee or participant covered by CSRS or an equivalent Federal Government retirement plan, including employees authorized to contribute to the Thrift Savings Plan under 5 U.S.C. 8351, 5 U.S.C. 8440a, or 5 U.S.C. 8440b.

*Election period* means the last calendar month of an open season and is the earliest period in which a choice to make or change an election (other than an election to terminate contributions) during that open season can become effective;

*Election Form* means Form TSP-1;

*Employee Contributions* means any contributions made pursuant to 5 U.S.C. 8432(a), 5 U.S.C. 8351, 5 U.S.C. 8440a, or 5 U.S.C. 8440b.

*Employer Contributions* means Agency Automatic (1%) Contributions and Agency Matching Contributions;

*FERS* means the Federal Employees' Retirement System established by chapter 84 of title 5, U.S.C., and any equivalent Federal Government retirement plans;

*FERS employee* or *FERS participant* means any employee or participant covered by FERS or an equivalent Federal Government retirement plan;

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

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

*Interfund transfer* means the redistribution of a participant's existing account balance among the three investment funds;

*Interfund Transfer Request* means submission of a properly completed Interfund Transfer Request (Form TSP-30) or proper entry of an interfund transfer through use of the ThriftLine.

*Investment fund* means the C Fund, the F Fund, or the G Fund;

*Open season* means the period during which employees may choose to begin making contributions to the Thrift Savings Plan, to change or discontinue (without losing the right to recommence contributions the next open season) the amount of Employee Contributions currently being contributed to

the Thrift Savings Plan, or to allocate new Employee and Employer Contributions to the Thrift Savings Plan among the investment funds;

*Participant* means any person with an account in the Thrift Savings Fund or who would have an account but for an employing agency error;

*Source of contributions* means Employee Contributions, Agency Automatic (1%) Contributions, or Agency Matching Contributions;

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

*Thrift Savings Plan, TSP, or Plan* means the Federal Retirement Thrift Savings Plan established by the Federal Employees' Retirement System Act of 1986, codified in pertinent part at 5 U.S.C. 8431 *et seq.*

*ThriftLine* means the automated voice response system by which TSP participants may, among other things, make interfund transfer requests by telephone.

*TSP recordkeeper* means the entity that is engaged by the Board to perform recordkeeping services for the Thrift Savings Plan. As of the date of publication of this part 1606, the TSP recordkeeper is the National Finance Center, Office of Finance and Management, United States Department of Agriculture, located in New Orleans, Louisiana.

[56 FR 594, Jan. 7, 1991, as amended at 60 FR 36633, July 17, 1995]

### Subpart B—Investing New Contributions

#### § 1601.2 Investing new contributions in the TSP investment funds.

(a) *Removal of investment restrictions.* Pursuant to section 3 of the Thrift Savings Plan Technical Amendments Act of 1990 (TSPTAA), Public Law 101-335, beginning with the first full pay period starting on or after January 1, 1991, all FERS and CSRS participants may invest all or any portion of their new Employee Contributions in the C Fund, the F Fund, and/or the G Fund. FERS participants may also invest their new Agency Automatic (1%) Contributions and Agency Matching Contributions in the C Fund, the F Fund, and/or the G Fund.

(b) *Allocation elections.* Each participant may indicate his or her choice of investment funds by completing an Election Form (TSP-1). The Election Form must be accepted by the employing agency in accordance with this part and with regulations then governing employee elections to contribute to the Thrift Savings Plan (5 CFR part 1600) and will be processed as provided in those regulations. The following rules apply to allocation elections:

(1) The percentages elected by a participant for investment of new contributions in the C Fund, F Fund and/or G Fund must be applied to Employee Contributions, Agency Automatic (1%) Contributions, and Agency Matching Contributions. Different percentage elections may not be made for different sources of contributions;

(2) Contributions may be directed to be invested in the C Fund, F Fund and/or G Fund only as a percentage of contributions to the TSP each pay period, and the allocation percentages may only be in 5 percent increments. The sum of the percentages elected for the three investment funds must equal 100%;

(3) Except in the case of a CSRS participant who has submitted an Election Form which contains an election to terminate contributions, an allocation election must be made on every Election Form in order for that Election Form to be accepted by the employing agency;

(4) In order to be accepted by the employing agency, an Election Form submitted by a FERS participant must:

(i) Contain an election to contribute a whole dollar amount or a percentage of basic pay each pay period; or

(ii) Contain an election to terminate Employee Contributions; or

(iii) Indicate that the participant has not been making Employee Contributions and that the participant is not choosing to start making Employee Contributions on that Election Form;

(5) In order to be accepted by the employing agency, an Election Form submitted by a CSRS employee must:

(i) Contain an election to contribute a whole dollar amount or a percentage of basic pay each pay period; or

(ii) Contain an election to terminate Employee Contributions;

(6) Any participant who elects to invest any contributions in the C Fund and/or F Fund must sign the acknowledgement on the Election Form that the investment is made at the participant's risk, that the participant is not protected by the United States Government or the Board against any loss on the investment, and that neither the United States Government nor the Board guarantees any return on the investment. If the acknowledgement of risk section of the Election Form is not signed when required, the Election Form will not be accepted;

(7) If an Election Form completed by a participant does not comply with all of the provisions of paragraphs (b)(1) through (b)(6) of this section, the Election Form will have no effect and must be returned to the participant by the employing agency. Except as provided in paragraph (c) of this section, no changes in the investment of new contributions will be made effective unless a properly completed Election Form is accepted in accordance with this Part and the regulations governing employee elections to contribute to the Thrift Savings Plan (5 CFR part 1600).

(8) An election to terminate Employee Contributions must, in accordance with 5 CFR 1600.7, be made effective so that the Employee Contributions will be terminated with respect to basic pay earned in the pay period following the pay period in which the employing agency accepts the Election Form. In the case of termination by a FERS participant, the allocation election on the Election Form must be made effective with respect to Agency Automatic (1%) Contributions for the pay period following the pay period in which the employing agency accepted the Election Form.

(9) All Agency Automatic (1%) Contributions made on behalf of FERS participants who do not have an allocation election in effect must be reported by the employing agency for investment in the G Fund;

(10) Except as provided in paragraph (c) of this section, once an Election Form becomes effective, it remains effective until superseded by a subsequent Election Form or until the employee separates from service.

(c) *Transition rule.* Beginning with the first full pay period starting on or after January 1, 1991, all new contributions to any participant's account which are made pursuant to an Election Form that was made effective prior to the first full pay period starting on or after January 1, 1991, must be reported by the employing agency for investment in the G Fund unless the participant has made a different allocation election during the open season commencing November 15, 1990 and ending on January 31, 1991, which is effective as of the first full pay period starting on or after January 1, 1991. Where contributions to a participant's account are invested in the G Fund pursuant to this paragraph, new contributions to the participant's account must continue to be reported by the employing agency for investment in the G Fund unless and until a new allocation election is made effective. For open seasons subsequent to the open season commencing November 15, 1990 and ending on January 31, 1991, a participant who does not wish to change his or her current allocation election does not need to submit a new Election Form.

(d) *Contributions for pre-1987 service.* Any other provision of this section notwithstanding, any Agency Automatic (1%) Contributions made pursuant to 5 U.S.C. 8432(c)(3) must be reported by the employing agency for investment in the G Fund, regardless of any allocation election that may be in effect at the time the contribution is made.

#### § 1601.3 Erroneous investment of contributions.

Where employing agency errors have caused money to be invested in an incorrect investment fund, correction of such error must be accomplished exclusively through the procedures described in 5 CFR part 1606.

### Subpart C—Interfund Transfers

#### § 1601.4 Eligibility to redistribute money among the three investment funds.

(a) Subpart C of this part applies only to redistributing participants' existing account balances among the C Fund, F Fund, and G Fund. Subpart C

of this part does not apply to participants' choice of the investment funds in which new contributions are to be invested; those choices are covered in subpart B of this part.

(b) *Removal of investment restrictions.* Pursuant to section 3 of the Thrift Savings Plan Technical Amendments Act of 1990 (TSPTAA), Public Law 101-335, starting December 31, 1990 FERS and CSRS participants may, in accordance with this part, invest all or any portion of their account balances in the C Fund, F Fund, or G Fund. Interfund transfer elections will be applied to participants' Employee Contributions, Agency Automatic (1%) Contributions, Agency Matching Contributions, and earnings attributable to all three sources of contributions.

[56 FR 594, Jan. 7, 1991, as amended at 60 FR 47837, Sept. 14, 1995]

#### § 1601.5 Methods of requesting an interfund transfer.

(a) To make an interfund transfer, participants may either submit to the TSP recordkeeper a properly completed Interfund Transfer Request (Form TSP-30), or may enter the interfund transfer request over the telephone by using the ThriftLine. Forms TSP-30 generated prior to October 1990, which were preprinted with a participant's name and address, described restrictions on the amounts which could be invested in the C Fund and the F Fund, and specified an effective date for the interfund transfer, are obsolete forms. They will be rejected by the TSP recordkeeper if submitted to make an interfund transfer request. Similarly, Form TSP-30-S, which was designed for use only by certain FERS participants to make interfund transfers effective as of the end of December 1990, are obsolete forms which will be rejected by the TSP recordkeeper if submitted to make an interfund transfer request.

(b) To make an interfund transfer request, a participant must designate the percentages of his or her account balance that are to be invested in the C Fund, the F Fund, and/or the G Fund. The percentages selected by the participant must be in multiples of 5 percent and must total 100 percent. An interfund transfer request has no effect