

**§ 1620.45 Suspending TSP loans, restoring post-employment withdrawals, and reversing taxable distributions.**

(a) *Suspending TSP loans during non-pay status.* If the TSP is notified that an employee entered into a nonpay status to perform military service, any outstanding TSP loan from a civilian TSP account will be suspended, that is, it will not be declared a taxable distribution while the employee is performing military service.

(1) Interest will accrue on the loan balance during the period of suspension. When the employee returns to civilian pay status, the employing agency will resume deducting loan payments from the participant's basic pay and the TSP will reamortize the loan (which will include interest accrued during the period of military service). The maximum loan repayment term will be extended by the employee's period of military service. Consequently, when the employee returns to pay status, the TSP record keeper must receive documentation to show the beginning and ending dates of military service.

(2) The TSP may close the loan account and declare it to be a taxable distribution if the TSP does not receive documentation that the employee entered into nonpay status. However, the taxable distribution can be reversed in accordance with paragraph (c) of this section.

(b) *Restoring post-employment withdrawals.* An employee who separates from civilian service to perform military service and who receives an automatic cashout of his or her account may return to the TSP an amount equal to the amount of the payment. The employee must notify the TSP record keeper of his or her intent to return the withdrawn funds within 90 days of the date the employee returns to civilian service or pay status; if the employee is eligible to return a withdrawal, the TSP record keeper will then inform the employee of the actions that must be taken to return the funds.

(c) *Reversing taxable distributions.* An employee may request that a taxable loan distribution be reversed if the taxable distribution resulted from the em-

ployee's separation or placement in nonpay status to perform military service. The TSP will reverse the taxable distribution under the process described as follows:

(1) An employee who received a post-employment withdrawal when he or she separated to perform military service can have a taxable distribution reversed only if the withdrawn amount is returned as described in paragraph (b) of this section;

(2) A taxable loan distribution can be reversed either by reinstating the loan or by repaying it in full. The TSP loan can be reinstated only if the employee agrees to repay the loan within the maximum loan repayment term plus the length of military service, and if, after reinstatement of the loan, the employee will have no more than two outstanding loans, only one of which is a residential loan; and

(3) The employee must notify the TSP record keeper of his or her intent to reverse a taxable loan distribution within 90 days of the date the employee returns to civilian service or pay status; if the employee is eligible to reverse a taxable loan distribution, the TSP record keeper will then inform the employee of the actions that must be taken to reverse the distribution.

(d) *Breakage.* Employees will not receive breakage on amounts returned to their accounts under this section.

[67 FR 49526, July 30, 2002, as amended at 70 FR 32213, June 1, 2005]

**§ 1620.46 Agency responsibilities.**

(a) *General.* Each employing agency must establish procedures for implementing these regulations. These procedures must at a minimum require agency personnel to identify eligible employees and notify them of their options under these regulations and the time period within which these options must be exercised.

(b) *Agency records; procedure for reimbursement.* The agency making payments to the record keeper for all contributions and attributable breakage will obtain from prior employing agencies whatever information is necessary to make accurate payments. If a prior employing agency is ultimately chargeable under § 1620.43(b) for all or

part of this expense, the agency making the payments to the record keeper will determine the procedure to follow in order to collect amounts owed to it by the agency ultimately chargeable with the expense.

(c) *Payment schedule; matching contributions report.* Agencies will, with the employee's consent, prepare a payment schedule for making retroactive employee contributions which will be consistent with the procedures established at 5 CFR part 1605 for the correction of employing agency errors.

(d) *Agency automatic (1%) contributions.* Employing agencies must calculate the agency automatic (1%) contributions for all reemployed (or restored) FERS employees and report those contributions to the record keeper within 60 days of reemployment.

(e) *Forfeiture restoration.* When notified by an employee that a forfeiture of the agency automatic (1%) contributions occurred after the employee separated to perform military service, the employing agency must complete and file the appropriate paper TSP form with the TSP record keeper in accordance with the form's instructions to have those funds restored.

(f) *Thrift Savings Plan Service Computation Date.* The agencies must include the period of military service in the Thrift Savings Plan Service Computation Date (TSP-SCD) of all reemployed FERS employees. If the period of military service has not been credited, the agencies must submit an employee data record to the TSP record keeper containing the correct TSP Service Computation Date.

[64 FR 31057, June 9, 1999, as amended at 70 FR 32214, June 1, 2005]

## PART 1630—PRIVACY ACT REGULATIONS

Sec.

- 1630.1 Purpose and scope.
- 1630.2 Definitions.
- 1630.3 Publication of systems of records maintained.
- 1630.4 Request for notification and access.
- 1630.5 Granting access to a designated individual.
- 1630.6 Action on request.
- 1630.7 Identification requirements.
- 1630.8 Access of others to records about an individual.

- 1630.9 Access to the history (accounting) of disclosures from records.
- 1630.10 Denials of access.
- 1630.11 Requirements for requests to amend records.
- 1630.12 Action on request to amend a record.
- 1630.13 Procedures for review of determination to deny access to or amendment of records.
- 1630.14 Appeals process.
- 1630.15 Exemptions.
- 1630.16 Fees.
- 1630.17 Federal agency requests.
- 1630.18 Penalties.

AUTHORITY: 5 U.S.C. 552a.

SOURCE: 55 FR 18852, May 7, 1990, unless otherwise noted.

### § 1630.1 Purpose and scope.

These regulations implement the Privacy Act of 1974, 5 USC 552a. The regulations apply to all records maintained by the Federal Retirement Thrift Investment Board that are contained in a system of records and that contain information about an individual. The regulations establish procedures that (a) authorize an individual's access to records maintained about him or her; (b) limit the access of other persons to those records; and (c) permit an individual to request the amendment or correction of records about him or her.

### § 1630.2 Definitions.

For the purposes of this part—

- (a) *Agency* means agency as defined in 5 USC 552(e);
- (b) *Board* means the Federal Retirement Thrift Investment Board;
- (c) *Individual* means a citizen of the United States or an alien lawfully admitted for permanent residence;
- (d) *Maintain* means to collect, use, or distribute;
- (e) *Record* means any item, collection, or grouping of information about an individual that is maintained by the Board or the record keeper, including but not limited to education, financial transactions, medical history, and criminal or employment history and that contains the individual's name, identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph;