

Subpart D—Spousal Rights

- 1650.18 Spouses of FERS participants.
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 1650.20 Spousal rights when participant changes withdrawal election.
 1650.21 Executive Director's exception to requirement to notify the spouse.
 1650.22 Executive Director's exception to the requirement to obtain the spouse's signature.

Authority: 5 U.S.C. 8351, 8433, 8434, 8435, 8467(b)(5), and 8474(c)(1).

Subpart A—General**§ 1659.1 Definitions.**

As used in this part:

Account balance means, unless otherwise specified, the nonforfeitable valued account balance of a TSP participant as of the most recent month end prior to the date a withdrawal occurs.

Board means the Federal Retirement Thrift Investment Board, established pursuant to 5 U.S.C. 8472.

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

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

Participant means any person with an account in the Thrift Savings Plan.

Spouse means the person to whom a TSP participant is married on the date he or she signs forms requesting spouse information to be submitted to the TSP, including a spouse from whom the participant is legally separated, and including a person with whom a participant is living in a relationship that constitutes a common-law marriage in the jurisdiction in which they live.

Thrift Savings Plan, TSP, or Plan means the Federal Retirement Thrift Savings Plan, established under subchapters III and VII of the Federal Employees' Retirement System Act of 1986, 5 U.S.C. 8431 *et seq.*

Thrift Savings Plan Service Office means the office established by the Board to service separated TSP participants. This office's current address is: Thrift Savings Plan Service Office, National Finance Center, P.O. Box 61500, New Orleans, Louisiana 70161-1500.

§ 1650.2 Eligibility.

A participant who separates from Government employment, as described in § 1650.3, is eligible to withdraw his or her account by one of the withdrawal methods described in subpart B of this part, subject to the rules relating to spouses' rights (set forth in subpart D of this part), minimum distributions, and

domestic relations orders. A participant cannot choose a withdrawal method while he or she is employed by the Government.

§ 1650.3 Separation from Government employment.

For purposes of this part, a separation from Government employment occurs when a participant ceases employment with the Federal Government or 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 at least 31 full calendar days.

§ 1650.4 Rehired employees.

(a) A participant who is reemployed in a position in which he or she can participate in the TSP on or before the 31st full calendar day after the date of separation is not eligible to withdraw his or her TSP account. In order to be eligible to withdraw his or her TSP account, a participant must state on Form TSP-70 (Withdrawal Request) that he or she is separated and expects the separation to last at least 31 full calendar days. If a participant is scheduled for an automatic cashout, as described in § 1650.17, the cashout will be canceled if the participant states to the TSP that he or she has been reemployed or expects to be reemployed within 31 full calendar days.

(b) A participant who is reemployed after 31 full calendar days after his or her date of separation in a position in which the participant is eligible to participate in the TSP may withdraw the portion of his or her account balance attributable to the earlier period of employment. However, if the amount in the account attributable to the first period of employment is greater than \$3,500, the participant must submit, prior to the date of his or her reemployment, a properly completed withdrawal form (TSP-70) choosing a withdrawal option that results in an immediate withdrawal. A reemployed participant may not make a deferred withdrawal election, as described in § 1650.12, or an election of monthly payments, as described in § 1650.9. If a reemployed participant is already receiving monthly withdrawal payments, such payments will stop.

§ 1650.5 Outstanding loans.

A participant is not entitled to withdraw his or her account balance until any loan outstanding at the time of separation has either been repaid in full or declared to be a taxable distribution.

§ 1650.6 Frozen accounts.

A participant may not withdraw any portion of his or her account balance if

the account is frozen as a result of a retirement benefits court order or a child support or alimony enforcement order or as a result of a freeze placed on the account by the Board for another reason.

§ 1650.7 Monthly cycle for withdrawal payments.

The value of a TSP account is determined at approximately mid-month, as of the end of the preceding month, after earnings are allocated to the account. TSP transactions that require valued account balances, such as withdrawals, can only occur after the value of an account has been determined. Because of this, withdrawal payments are generally made once a month, during what is known as the "mid-month processing cycle."

Subpart B—Withdrawal Options**§ 1650.8 Single payment.**

A participant can withdraw his or her entire account in a single payment.

§ 1650.9 Monthly payments.

(a) A participant can withdraw his or her account balance in two or more substantially equal monthly payments, to be calculated under one of the following methods:

(1) A fixed monthly payment amount. The amount must be at least \$25 per month and must satisfy any minimum distribution requirements. Payments will be made each month until the account is expended. If the last scheduled payment would be less than the chosen amount, it will be combined and paid with the previous payment;

(2) A fixed number of monthly payments. The participant's month-end account balance for the month preceding the month of the first payment will be divided by the number of payments chosen in order to determine the monthly amount. If that amount is less than \$25, the election is rejected. The payment must also meet any minimum distribution requirements. In January of each subsequent year, the TSP will divide the December 31 account balance from the prior year by the remaining number of payments in order to determine that year's monthly payments. If the monthly payment amount is less than \$25, it will be increased to \$25. This process will be repeated each year until the account is expended; or

(3) A monthly payment amount calculated using the factors set forth in Internal Revenue Service expected return multiple table V, 26 CFR 1.72-9. There is no \$25 minimum monthly payment under this method. In the year payments begin, the monthly payment