

allow participants to purchase annuities of the eliminated type or containing the eliminated feature for 5 years after the date the decision to eliminate the annuity type or feature is announced in the **Federal Register**.

(g) Once an annuity has been purchased, the type of annuity, any annuity features, and the identity of the joint annuitant cannot be changed, and the annuity cannot be terminated.

§ 1650.11 Transfer of withdrawal payments.

(a) At the participant's request, the TSP will transfer directly to an eligible retirement plan all or part of any withdrawal that is an "eligible rollover distribution," as defined in 26 U.S.C. 402(c)(4). A withdrawal method that is not an eligible rollover distribution cannot be transferred.

(b) The following TSP withdrawal methods are considered eligible rollover distributions:

(1) A single payment, as described in § 1650.8;

(2) Monthly payments, as described in § 1650.9, where payments are expected to last less than 10 years at the time they begin, according to the following rules:

(i) If the participant elects a number of monthly payments, the number of payments must be fewer than 120;

(ii) If the participant elects a monthly payment amount, the amount, when divided into the participant's account balance as of the end of the month prior to the first payment, must yield a number less than 85.

(3) A final single payment, as described in § 1650.9(c).

(c) The following withdrawal methods are not eligible rollover distributions:

(1) Any annuity purchased by the TSP.

(2) Any monthly payment that does not meet the rules set forth in paragraph (b)(2) of this section, including any monthly payment computed based on the Internal Revenue Service expected return multiple table V (see § 1650.9(a)(3)).

(3) Any minimum distribution payment or any portion of another payment which represents a minimum distribution payment.

(d) An eligible retirement plan is a plan defined in 26 U.S.C. 402(c)(8). There are three types of eligible retirement plans: an Individual Retirement Arrangement (IRA) (which can be either an individual retirement account or an individual retirement annuity), a plan qualified under 26 U.S.C. 401(a), and a plan described in 26 U.S.C. 403(a). An IRA or other eligible retirement plan must be maintained in the United States, which

means one of the 50 states or the District of Columbia.

§ 1650.12 Deferred withdrawal elections.

(a) Subject to paragraph (b) of this section, a participant who separates from Government employment and elects to withdraw his or her account under one of the methods provided in §§ 1650.8, 1650.9, or 1650.10 may specify a future date (which shall be a month and year) for payment of the withdrawal.

(b) The future date chosen under this section cannot be later than March of the year following the year in which the participant becomes age 70½. If that date has already passed when the participant makes an election, the participant cannot choose a future date.

(c) If the withdrawal method chosen for future payment is a single payment or monthly payments (and the date specified for payment is more than four months in the future on the date the election form is processed), the participant will be notified before the date chosen that such payments are scheduled to begin. If the payments are eligible rollover distributions, the participant may choose to transfer all or part of the payments to an Individual Retirement Arrangement (IRA) or another eligible retirement plan.

(d) If the withdrawal method chosen for future payment is an annuity (and the date specified for payment is more than four months in the future on the date the election form is processed), the participant will be notified before the date chosen. At that time, the participant will be sent information asking him or her to choose an annuity method, name a beneficiary (if the cash refund or 10-year certain feature is chosen), and provide any necessary spousal waiver or spousal information.

§ 1650.13 Required date for making withdrawal election.

(a) A participant who separates from Government employment need not elect one of the withdrawal methods provided in §§ 1650.8, 1650.9, or 1650.10 until February 1 of the year following the latest of these dates:

(1) The date upon which the participant becomes age 65;

(2) The date that is 10 years after the effective date of the first TSP contribution made by or on behalf of the participant (but not earlier than April 1, 1987); or

(3) The date the participant separated from Government employment.

(b) A separated participant may make a withdrawal election before the date described in paragraph (a) of this section, but is not required to do so.

(c) A participant will fulfill the requirements of paragraph (a) of this section by making a deferred withdrawal election (as described in § 1650.12) by the required date, provided that the date described in § 1650.12(b) has not already occurred.

(d) If a participant does not make an election by the date required by this section, the TSP will purchase an annuity for the participant in accordance with the following rules:

(1) If a participant is covered by the Federal Employees' Retirement System (FERS) and is married on the date an election is required by this section, the TSP will purchase a joint life annuity with his or her spouse with a 50 percent survivor benefit, level payments, and no cash refund feature.

(2) If the participant is covered by the Civil Service Retirement System (CSRS) or the participant is not married on the date an election is required by this section, the TSP will purchase a single life annuity with no other features.

(3) If the participant fails to provide the TSP with adequate information to purchase one of the annuities described in either paragraph (d)(1) or (d)(2) of this section, as appropriate, by the date an election is required by this section, and such information cannot be obtained by the TSP from other sources, the participant's account will be forfeited. If the TSP is later provided with the required information, the TSP will purchase an annuity in accordance with this section, using the amount forfeited. No earnings will be credited to this amount after the date of forfeiture.

§ 1650.14 Changes and cancellation of withdrawal election.

(a) *Basic rule.* Subject to paragraphs (b) and (c) of this section and the rules relating to spouses' rights, a participant who has separated from Government employment can change his or her withdrawal election to any other withdrawal election or can cancel his or her withdrawal election if the change or cancellation can be processed before the withdrawal election is scheduled for disbursement.

(b) *Cutoff dates.* For participants who have any part of their accounts invested in the Common Stock Index Investment Fund (C Fund) or the Fixed Income Index Investment Fund (F Fund), a withdrawal payment that has been approved is scheduled on the second-to-last business day of the month preceding the month the withdrawal payment is to be made. For participants whose accounts are invested entirely in the Government Securities Investment Fund (G Fund), a withdrawal payment that has been approved is scheduled by