



Thrift Savings Plan

Form TSP-60 Request for a Transfer Into the TSP

Information for TSP Participants, Administrators of Qualified Retirement Plans, and Custodians of Conduit IRAs

Effective July 1, 2001, under Public Law 106-361, the Thrift Savings Plan (TSP) can accept transfers of eligible rollover distributions from qualified retirement plans (or their designated financial institutions) or from conduit individual retirement accounts (IRAs) that were set up to accept eligible rollover distributions.

Only TSP participants who have open accounts can transfer money into the TSP. This includes participants who are separated from Federal service. However, a separated participant who is receiving monthly payments from his or her TSP account cannot transfer money into it. **Participants cannot *open* a TSP account by transferring funds to the TSP.**

The TSP is a retirement savings and investment plan for Federal employees. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The TSP provides Federal employees the same type of savings and tax benefits that many private corporations offer their employees under so-called 401(k) plans. The Internal Revenue Code, in 26 U.S.C. § 7701(j), states that the TSP is to be treated as a trust described in 26 U.S.C. § 401(a) which is exempt from taxation under 26 U.S.C. § 501(a). TSP regulations are published in title 5 of the Code of Federal Regulations, Parts 1600-1699, and are periodically supplemented and amended in the Federal Register.

September 2001

GENERAL INFORMATION FOR PARTICIPANTS AND QUALIFIED RETIREMENT PLAN ADMINISTRATORS OR CUSTODIANS

What is an eligible rollover distribution?

For TSP purposes, an eligible rollover distribution consists entirely of before-tax money (i.e., money that has not been subjected to Federal income tax) that is distributed from a qualified retirement plan or conduit IRA. Under the Internal Revenue Service (IRS) rules, only certain types of payments are considered “eligible rollover distributions.”

Examples of eligible rollover distributions may include: a lump sum distribution after terminating employment, an age-based in-service withdrawal, a final single payment after a series of monthly payments, or payments made to a spouse or former spouse pursuant to a qualified domestic relations order (QDRO). For Federal employees, an eligible rollover distribution may also include some retirement benefits administered by the Office of Personnel Management (for example, the taxable portion of the Alternative Form of Annuity (AFA) or interest on lump sum retirement credits).

Note: Death benefit payments made to spouses from qualified plans (such as the TSP) are considered eligible rollover distributions; however, according to the Internal Revenue Code (IRC) they can be transferred only to an IRA before January 2002. Therefore, after January 2002 a death benefit payment made to a spouse can be transferred into the TSP.

A TSP participant who would like to transfer money into the TSP should check with a representative of his or her former plan or IRA to ensure that the distribution is an eligible rollover distribution. Before the TSP accepts a transfer into a participant's account, the administrator of the qualified retirement plan or the trustee or custodian of the conduit IRA must certify that the distribution is an eligible rollover distribution. Under no circumstances can the TSP accept after-tax money (i.e., money that has already been subjected to Federal income tax).

What is the difference between a “transfer” and a “rollover”?

A **transfer** occurs when the participant instructs the qualified retirement plan or conduit IRA to send all or part of his or her eligible rollover distribution directly to the TSP instead of issuing it to the participant.

A **rollover** occurs when the qualified retirement plan or conduit IRA makes a distribution to the participant (after withholding the mandatory 20% Federal income tax) and the participant deposits all or any part of the gross amount of the distribution into the TSP within 60 days of receiving it.

Note: The term “transfer” is used broadly throughout this package to include rollovers unless the information is specific to rollovers.

From whom will the TSP accept a transfer?

The TSP can accept a **transfer** from one of the following:

- **A qualified retirement plan.** This is either a qualified trust described in section 401(a) of the IRC which is tax exempt under IRC 501(a) or an IRC 403(a) annuity plan.* Transfers cannot be accepted from 403(b) plans and 457 plans.

* A qualified retirement plan generally includes defined contribution plans such as Money Purchase Plans, Profit Sharing Plans, Employee Stock Ownership Plans (ESOPs), Stock Bonus Plans, and other plans that have provisions for Cash or Deferred Arrangements (CODAs) under section 401(k) of the IRC, and may include a distribution from a qualified benefit plan.

- **A conduit IRA.** This is an individual retirement account described in IRC 408(a) or an individual retirement annuity described in IRC 408(b) that contains **only** funds transferred or rolled over from a qualified retirement plan and earnings on those amounts. Thus, it cannot contain funds contributed to it directly by you. Consequently, an IRA will not qualify as conduit IRA if you have mixed regular contributions or funds from other sources with the rollover distribution from your retirement plan. Transfers also cannot be accepted from SEP or Simple IRAs. For further information, see IRS Publication 590, Individual Retirement Arrangements (IRAs) (Including Roth IRAs and Education IRAs).

The TSP can accept a **rollover from the participant**. A rollover can be accepted by the TSP only within 60 calendar days of the date the participant received the eligible rollover distribution from a qualified plan or conduit IRA. The rollover must be in guaranteed funds (i.e., a certified check, cashier's check, cashier's draft, money order, or treasurer's check from a credit union) made payable to the Thrift Savings Plan.

How much can a participant transfer into the TSP?

A participant can transfer all or any part of an eligible rollover distribution. If the distribution is made to the participant, the former plan should withhold taxes before making the distribution. The participant can roll over the entire amount of the distribution, including the amount that was withheld for taxes, by making up with personal funds the amount that was withheld.

Note: Any portion of the eligible rollover distribution that the participant chooses not to transfer or roll over into the TSP will be taxed as ordinary income in the year it is received. Also, if the participant is less than age 59½ at the time of distribution, he or she may also have to pay a 10% early withdrawal penalty tax on the amount that was not transferred or rolled over.

There is no limit to the number of transfers to the TSP that a participant can make. For example, if you were a participant in two different private sector qualified retirement plans, you can transfer money from both plans into the TSP.

What happens to the money once it reaches the TSP?

Money that is transferred to the TSP is allocated according to the participant's most current contribution allocation on file. Once the money is deposited into the TSP, it becomes part of TSP employee contributions and will be subject to the same plan rules as all other employee contributions in the account. For example, the money will be available for loans or in-service withdrawals. Any future transactions a participant makes will apply to the entire account balance without distinction as to the money that has been transferred. The money will be subject to court orders against the TSP account, and spousal rights rules will apply to all loans and withdrawals from the account.

Note: Because funds that are transferred into the TSP have never been taxed, they will be subject to taxation when the funds are eventually distributed to the participant.

How are transfers affected by the annual elective deferral limit?

Money that is transferred into the TSP is not applied to the annual elective deferral limit (\$10,500 in 2001) that is imposed on regular employee contributions.



THRIFT SAVINGS PLAN REQUEST FOR A TRANSFER INTO THE TSP

TSP-60

Use this form to request a transfer or to complete a rollover from a qualified retirement plan or conduit individual retirement account (IRA) into the Thrift Savings Plan (TSP). To transfer funds into the TSP, **you must have an open TSP account**, and you cannot be receiving monthly payments from it. **Funds must accompany this form.** Funds received by the TSP without a properly completed Form TSP-60 will not be invested. **Give this entire form with cover page to your current qualified retirement plan or conduit IRA administrator.**

I. INFORMATION ABOUT YOU

1. Name _____
Last First Middle
2. _____ - _____ - _____ 3. _____ / _____ / _____ 4. (_____) _____ - _____
Social Security Number Date of Birth (mm/dd/yyyy) Daytime Phone (Area Code and Number)
5. Address _____
Street Address or Box Number
6. City _____ 7. _____ 8. _____
State/Country Zip Code

II. CERTIFICATION BY PLAN OR CONDUIT IRA

(See Section II Instructions on back of form.)

This section must be completed by the administrator of the qualified retirement plan or by the trustee or custodian of the conduit IRA from which the eligible rollover distribution is being (or was) distributed. **Please read the General Information** to ensure that the TSP can accept these funds. **Do not send funds if you cannot complete this form.**

9. This is a: Transfer Rollover (For definition of these terms, see the General Information section on page 2.)
10. Gross amount of eligible rollover distribution (see back of form). \$ _____
11. Type of account from which the eligible rollover distribution is being/was distributed:
 Qualified Retirement Plan — Is all money in this eligible rollover distribution tax-deferred (i.e., money on which Federal income taxes have not yet been paid)?
 Yes No
 Conduit IRA — Does this eligible rollover distribution consist solely of money received in an earlier distribution from a qualified retirement plan, and earnings on that money?
 Yes No

As a representative of the qualified retirement plan or financial institution from which the funds are being (or were) distributed, I certify that the foregoing is true and correct to the best of my knowledge.

12. _____
Typed or printed name of Plan Administrator/Financial Institution Representative
13. _____ 14. _____
Signature of Plan Administrator/Financial Institution Representative Date Signed
15. _____ 16. (_____) _____ - _____
Name of Institution Contact Phone Number
17. _____
Address

III. INFORMATION ABOUT YOUR ROLLOVER

Complete this section only if **you** have already received the distribution. Your rollover must be completed within 60 days of the date **you** received the distribution from a qualified retirement plan (or its designated financial institution) or from a conduit IRA that was set up to accept your distribution from a qualified retirement plan. (See the definition of a conduit IRA in the general information section of this form. The TSP cannot accept funds from other types of IRAs.)

18. Amount being submitted \$ _____ 19. Date you received distribution _____ / _____ / _____
mm dd yyyy

IV. YOUR AUTHORIZATION

You must authorize the TSP to accept your transfer/rollover into your TSP account by signing and dating below. By signing this request, you are also certifying that the information you have provided on this form is true to the best of your knowledge. **Warning:** Any intentional false statement in this request or willful misrepresentation concerning it is a violation of law that is punishable by a fine of as much as \$10,000 or imprisonment for as long as 5 years, or both (18 U.S.C. 1001).

20. _____ 21. _____
Participant's Signature Date Signed

FORM TSP-60 INSTRUCTIONS

Use this form to request that the Thrift Savings Plan (TSP) accept a transfer (or rollover) of all or any portion of your eligible rollover distribution from a qualified trust or a conduit individual retirement account (IRA) and deposit it into your TSP account. You must have an **open** TSP account when your request is received by the TSP, and you cannot be receiving monthly payments from your account.

All participants must complete Sections I and IV of this form. Give the completed form to the administrator of your retirement plan or the trustee or custodian of your conduit IRA so that he or she can complete Section II and can send Form TSP-60 directly to the TSP Service Office together with a check for the amount being transferred. (The TSP cannot accept transfers from IRAs that are not conduit IRAs.) Funds received without a properly completed Form TSP-60 will not be invested.

Note: If you have already received the distribution from your plan or conduit IRA, also complete Section III. Ask the administrator of the plan or IRA to complete Section II and return the form to you as soon as possible. Mail Form TSP-60 together with your check for guaranteed funds (i.e., a certified check, cashier's check, cashier's draft, money order, treasurer's check from a credit union) **made payable to the Thrift Savings Plan**, to the TSP Service Office, National Finance Center, P.O. Box 61074, New Orleans, LA 70161-1074. **Note:** The TSP cannot accept a personal check.

Your transfer will be deposited according to your most current contribution allocation on file with the TSP. Transfers into the TSP are treated as employee contributions. As such, they will be subject to all the rules and regulations applicable to all TSP employee contributions. However, they are not subject to the IRS elective deferral limit, which limits the amount of tax-deferred contributions you can make to a retirement plan.

If you have questions, call the TSP Service Office at (504) 255-6000, TDD: (504) 255-5113.

SECTION I. Complete **Items 1 – 8.** If you are a current Federal employee and the address you provide on this form is different from the address in your TSP record, have your agency submit an address change for you; the address on this form cannot be used to update your TSP record. However, if you are separated from Federal service, the address you provide here will be used to update the address in your TSP record.

SECTION II. This section must be completed by the administrator of the qualified retirement plan or the trustee or custodian of the conduit IRA. Therefore, the instructions for this section are intended for your current qualified retirement plan or conduit IRA administrator.

If the eligible rollover distribution is being transferred from a retirement plan or conduit IRA directly to the TSP, the plan or conduit IRA must mail the completed Form TSP-60 and a check for the amount being transferred directly to the TSP Service Office at the address shown above.

If the distribution has already been made to the participant, the plan or conduit IRA administrator should return the completed form to the participant as soon as possible so that he or she can make the rollover within the allowed 60 calendar day period and include guaranteed funds with the request.

Item 9. Indicate whether the distribution is going to be transferred from the plan or financial institution to the TSP or whether the distribution has already been paid to the participant — in which case, check the box indicating that it will be a “Rollover.” For additional information see “What is the difference between a ‘transfer’ and a ‘rollover?’” in the General Information section.

In **Item 10,** indicate the gross amount of the distribution. Make the distribution check **payable to the Thrift Savings Plan** and **provide the participant's name and Social Security number** on it.

Item 11. Check the appropriate box. If the eligible rollover distribution is from a qualified retirement plan, indicate whether the money from this distribution is subject to Federal income tax. The TSP can only accept before-tax money; we cannot accept after-tax contributions. If the transfer is from an IRA, this must be a conduit IRA that was set up specifically to accept a distribution from a qualified retirement plan; the TSP cannot accept a transfer from any other IRA (including a so-called “Roth” IRA).

Items 12 – 17. Read the certification and complete the requested information.

SECTION III. Complete this section only if you have already received the distribution from your eligible plan or conduit IRA.

Item 18. Indicate the total amount that you are rolling over into the TSP. This is the amount of the check for guaranteed funds that must accompany your form. The amount you indicate here cannot exceed the amount shown in **Item 10.**

Note: At the time your former plan made the distribution to you, it should have withheld taxes, and the amount you actually received would have been less than the amount shown in **Item 10.** However, you can roll over the entire amount of the distribution, including the amount that was withheld for taxes, by including funds equal to the amount withheld by your IRA or plan in a single, guaranteed check for the entire amount. If the guaranteed check is less than the amount in **Item 10,** you are responsible for taxes on the amount not rolled over to the TSP.

Item 19. Provide the date that you received the distribution. If the distribution was sent directly to your checking or savings account, provide the date that the funds were deposited to your account. **Note:** The TSP cannot accept a rollover from you if the eligible rollover distribution is received by the TSP more than 60 calendar days after you received the distribution.

SECTION IV. The participant must sign and date the form.

PRIVACY ACT NOTICE. We are authorized to request this information under 5 U.S.C. Chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your TSP account. We will use the information you provide on this form to process your request for a transfer into the TSP. This information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. In addition, we may share the information with law

enforcement agencies investigating a violation of civil or criminal law, or agencies implementing a statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries. We may also disclose relevant portions of the information to appropriate parties engaged in litigation. You are not required by law to provide this information, but if you do not provide it, we will not be able to process your request.