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**TSP Catch-Up Contributions**
**Frequently Asked Questions**

**What are "catch-up" contributions?**

Catch-up contributions are supplemental tax-deferred contributions available to TSP participants age 50 or older who are already contributing either the maximum TSP contribution percentage or a dollar amount which will result in reaching the Internal Revenue Service (IRS) elective deferral limit by the end of the year. In 2003, the maximum regular TSP contribution for FERS employees is 13 percent and for CSRS employees is 8 percent. The IRS elective deferral limit for 2003 is $12,000. For 2004, the maximum regular TSP contribution for FERS employees is 14 percent and for CSRS employees is 9 percent. The IRS elective deferral limit for 2004 is $13,000.

**Who is eligible to make catch-up contributions?**

A TSP participant is eligible to make catch-up contributions as long as he or she is in a pay status; is contributing either the maximum TSP contribution percentage or a dollar amount which will result in reaching the IRS elective deferral limit by the end of the year; is age 50 or older by 31 December of the year the catch-up contribution election is made; and is not in the six month non-contribution period following receipt of a financial hardship in-service withdrawal.

**How can I get more information on TSP catch-up?**

Additional information can be found in TSP Bulletin 03-4, 7 Feb 03. The bulletin is located on the TSP web site at http://www.tsp.gov under Info for Agency Reps and then TSP Bulletins.

**Can TSP catch-up contributions be withheld from lump sum annual leave payments?**

No! TSP catch-up contributions may only be withheld from a participant's basic pay each pay period. Annual leave payments do not meet the legal definition of "basic" pay.

**Do catch-up contributions have an annual limit?**

Yes. Catch-up contributions have their own annual limit separate from the IRS elective deferral limit for regular TSP contributions. The catch-up contribution annual limits are:

$2,000 in 2003; $3,000 in 2004; $4,000 in 2005; and $5,000 in 2006; thereafter, increases will be indexed to inflation.

**How do I determine how much to have deducted each pay date from September 2003 to the end of the year?**

How much you want to contribute each pay period is up to you. However, to spread the contributions evenly over the remainder of the year, base the computation on the number of pay dates remaining in the calendar year. For example, assume your catch-up contribution election will be effective 5 October. There are five pay dates remaining in the year. Yes, that's correct; five--because October 30th is the pay date for the pay period beginning 5 October. Based on this example, if you wish to contribute $2,000 (the maximum for 2003), you will need to contribute $400 each pay period.

Remember, catch-up contribution changes can be made at any time because they're not tied to an Open Season. If you later discover your contribution amount will result in contributing less than the maximum allowable amount by the end of the calendar year, you can always go in and increase your contribution amount.

**How do I sign up for TSP catch-up?**

Employees will make catch-up contribution elections electronically through the Employee Benefits Information System (EBIS) web application at **https://www.abc.army.mil** or the Interactive Voice Response System (IVRS) automated telephone system at **1-877-276-9287**. ***Hard copy election forms will not be accepted!*** You must designate the amount you wish to contribute each pay period as a whole dollar amount. Percentages will not be used with catch-up contributions.

**How will catch-up contributions be invested?**

Catch-up contributions will be invested in the TSP funds according to your most recent contribution allocation.

**I'm a FERS employee. Will catch-up contributions receive agency matching contributions?**

No. Catch-up contributions are not eligible for agency matching contributions or for the agency automatic one percent contribution.

**May I write a check for catch-up contributions?**

No. Catch-up contributions must be deducted from basic pay each pay period; therefore, employees must be currently employed by the Federal government and receiving pay.

**Once I begin to make catch-up contributions, will they continue each year?**

No. Catch-up contributions will automatically stop with the last pay date in the calendar year or when you reach the maximum dollar limit for the year. Because the annual IRS elective deferral limit for catch-up contributions changes each year, participants must make a new election each year.

**Under what circumstances may an employee make up missed catch-up contributions?**

There are only a few instances. These include situations where an agency error prevents a participant from making an election to contribute to his or her TSP account, or in which an agency fails to implement a contribution election properly submitted by a participant. In addition, a participant who is reemployed under the Uniformed Services Employment and Reemployment Rights Act (USERRA) may also make up any catch-up contributions he or she did not make as a result of being called to military service. (If the participant made catch-up contributions to his or her uniformed services TSP account while on active duty, he or she may not make additional catch-up contributions in excess of the annual catch-up contribution limit.)

**What happens if I enter into a nonpay status after catch-up contributions begin?**

Catch-up contributions stop while you are in a nonpay status and resume on return to pay status. You may not make up the contributions missed while in a nonpay status, but you can submit a new election increasing the catch-up contribution amount withheld each pay period and thus make the maximum catch-up contribution allowed by law for that year.

If you return to duty in the same pay year, the contributions will restart without any further actions from personnel. DCPS will systematically date-end the records effective the last day of the pay year. So, if the employee's LWOP should extend into a new pay year, then it would be necessary to flow an action to restart the deduction in the new year.

**TSP Catch-up is not being populated to the CSU.**

A separate requirement document is being worked to modify the CSU to include TSP Catch-up.

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