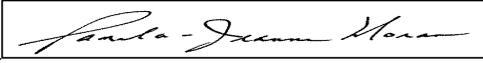




FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

July 3, 2003

MEMORANDUM TO TSP Coordinators (Personnel and Payroll)

FROM: Pamela-Jeanne Moran 
Deputy Director of External Affairs

SUBJECT: Catch-up Contributions for Participants Age 50 and Older

Since July 1, 2003, eligible Thrift Savings Plan (TSP) participants may submit elections to make catch-up contributions during the year 2003. However, agencies cannot make these elections effective before the first full pay period in August 2003. After July, eligible participants may make elections whenever they desire; they are not limited to the TSP open seasons. Agencies should make these elections effective no later than the first full pay period after receipt.

The TSP bulletins entitled "Catch-up Contributions for TSP Participants Age 50 and Older" provide detailed information about the catch-up contribution benefit, who is eligible to take advantage of it, and how payroll offices should submit the contributions. (These are Bulletin TSP 03-4, dated February 7, 2003, for civilian agencies and Bulletin TSP 03-U-4, dated February 7, 2003, for the uniformed services.)

In addition, the TSP Fact Sheet, "Catch-Up Contributions," is available from the TSP Web site, www.tsp.gov. It can be accessed by clicking on the Catch-Up Contributions hotlink on the home page (you will be taken to a brief notice about the benefit and from there you can click on the fact sheet hotlink). You can also find it by going to Forms and Publications, then to Fact Sheets (as of this date, it is the last entry under Fact Sheets). This fact sheet explains the catch-up contribution program from the participants' perspective; you should give it to participants who have questions about the benefit.

To make catch-up contributions, participants must use the election method established by their agency or service. In some cases, this will be an electronic election; in others, participants will have to use the form entitled Catch-Up Contribution Election — Form TSP-1-C for civilian participants, Form TSP-U-1-C for uniformed services). The forms are available from the TSP Web site (either by using the Catch-Up Contributions hotlink

as described above or by downloading it from the Forms &

Publications section). Agencies and the uniformed services may also order the form through their central distribution points.

Also, please note the following:

- If participants are trying to maximize their catch-up contributions over the remainder of the year, they need to count the number of pay dates from which these contributions will be taken — not pay periods. (This is similar to the calculation for the elective deferral limit.) The catch-up contribution must be made in 2003, in order to count against the 2003 \$2,000 limit.

- Catch-up contribution elections are not carried over into the next year.

- Because the limit will rise by \$1,000 each year until it reaches \$5,000 (after which it will be indexed to the cost of living), participants must renew their elections at the beginning of each year.

We have already received inquiries from payroll offices regarding the testing of their catch-up contribution submissions, including some test files. We are ready to accept these files; however, please contact the Agency Technical Support Staff at 504-255-5110 before you send test journal vouchers and files. The ATSS staff will provide instructions on how to submit this test data so it does not get confused with production data. (This is particularly important for those payroll offices that submit electronically.)

If you have any questions about the age 50 and over catch-up contribution benefit, please contact us at 202-942-1450.