

with the Error Correction Regulations found at 5 CFR part 1605.

PART 1603—VESTING

Sec.

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§ 1603.1 Definitions.

Terms used in this part shall have the following meaning:

Administrative expenses means expenses of the Federal Retirement Thrift Investment Board payable under the provisions of 5 U.S.C. 8437.

Basic 1% contribution means any government contribution made on behalf of a FERS employee pursuant to 5 U.S.C. 8432(c)(1), plus net earnings attributable to that contribution.

CSRS employee means *employee* as defined in 5 U.S.C. 8331(1) or "Member" as defined in 5 U.S.C. 8331(2).

FERS employee means *employee* as defined in 5 U.S.C. 8401(11) or "Member" as defined in 5 U.S.C. 8401(20).

Individual account means the total of all sums contributed on behalf of an employee pursuant to 5 U.S.C. 8351 or 8432, plus net earnings.

Net earnings means earnings minus applicable administrative expenses.

Separation from government service means any separation of more than 30 days and includes separation resulting from the death of the employee.

Service for purposes of TSP vesting means: (1) Any non-military service which is creditable under either 5 U.S.C. 8411 or subchapter III of chapter 83 of title 5, U.S.C., determined without regard to any time limitations, any deposit or redeposit requirements contained in those statutory provisions after performing the service involved, or any requirement that the individual give notice in writing to the official by whom that individual is paid of that individual's desire to become subject to the retirement system established by either chapter 83 or chapter 84 of title 5, United States Code; or (2) Any mili-

tary service creditable under the provisions of 5 U.S.C. 8432b(h)(1) and the regulations issued at subpart H of part 1620 of this chapter.

Vested means those amounts in an individual account which are nonforfeitable upon the employee's separation from government service.

Year of service means one full calendar year of service.

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§ 1603.2 Vested portions of individual account.

(a) All amounts in a CSRS employee's individual account are immediately vested.

(b) Except as provided in paragraph (c) of this section, all amounts in a FERS employee's individual account are immediately vested.

(c) The basic 1% contribution shall be forfeited upon separation from government service if the separation begins before the employee meets the applicable service requirements, as set forth in § 1603.3.

§ 1603.3 Service requirements.

(a) Except as provided in paragraph (b) of this section, all FERS employees shall be vested in their basic 1% contribution upon completing three years of service.

(b) FERS employees shall be vested in their basic 1% contribution upon completing two years of service if, upon separation from government service, they are serving in one of the following positions:

(1) A position in the Senior Executive Service as a non-career appointee (as defined in 5 U.S.C. 3132(a)(7));

(2) Positions listed in 5 U.S.C. 5312, 5313, 5314, 5315 or 5316;

(3) A position placed in level IV or level V of the Executive Schedule, pursuant to 5 U.S.C. 5317;

(4) A position in the Executive Branch which is excepted from the competitive service by the Office of Personnel Management because of the confidential and policy-determining character of the position; or

(5) A Member of Congress or a Congressional employee.

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