

## § 1640.6

(a) A summary description of the type of investments to be made by the particular investment fund, written in a manner designed to facilitate informed decision-making by the participant; and

(b) An evaluation of the performance history of the type of investments to be made by the particular investment fund covering the five year period preceding the date of the evaluation.

For the May 15, 1987 through July 31, 1987 open season, the statement described in this section shall only be provided for the G Fund.

### § 1640.6 Method of providing information.

(a) *Individual account statement.* The information concerning each participant's individual account described in § 1640.3 shall be sent to the participant at the participant's last known address, by first class mail, at least three business days before the date when such statement must be furnished under § 1640.2 It shall be the participant's responsibility to provide his or her current address to the employing office or, in the case of separated employees, to the Thrift Savings Plan Service Office.

(b) *Investment information.* The investment information described in § 1640.5 shall be furnished to each participant either by mailing the information to the participant by the method described in paragraph (a) of this section, or by including such information in material published by the Board to be distributed in any manner reasonably designed to reach the participant, including distribution through the participant's employing office or, in the case of separated employees, through the Thrift Savings Plan Service Office.

## PART 1645—ALLOCATION OF EARNINGS

Sec.

1645.1 Definitions.

1645.2 Posting of receipts.

1645.3 Calculation of net earnings for each investment fund.

1645.4 Administrative expenses attributable to each investment fund.

1645.5 Basis for allocation of earnings.

1645.6 Earnings allocation for individual accounts.

## 5 CFR Ch. VI (1–1–97 Edition)

1645.7 Posting of earnings to individual accounts.

AUTHORITY: 5 U.S.C. 8439(a)(3) and 5 U.S.C. 8474.

SOURCE: 53 FR 15621, May 2, 1988, unless otherwise noted.

### § 1645.1 Definitions.

As used in this part, the following terms have the following meanings:

*Accrued* means accounted for during a valuation period, whether or not actually paid or received during that period.

*Administrative expenses* means the expenses authorized by 5 U.S.C. 8437(c)(3).

*Agency automatic (1%) contributions* means contributions made pursuant to 5 U.S.C. 8432(c)(1) or 5 U.S.C. 8432(c)(3).

*Agency matching contributions* means contributions made pursuant to 5 U.S.C. 8432(c)(2).

*Allocation* means any *pro rata* distribution of amounts.

*Allocation date* means the last day of each calendar month.

*Basis* means the portion of an account or Investment Fund upon which the allocation of earnings is based.

*Board* means the Federal Retirement Thrift Investment Board established pursuant to 5 U.S.C. 8472.

*C Fund* means the Common Stock Index Investment Fund established pursuant to 5 U.S.C. 8438(b)(1)(C).

*Employee contributions* means any contributions made pursuant to 5 U.S.C. 8432(a) or 5 U.S.C. 8351(a).

*Employer contributions* means agency automatic (1%) contributions and agency matching contributions.

*F Fund* means the Fixed Income Investment Fund established pursuant to 5 U.S.C. 8438(b)(1)(B).

*Forfeitures* means amounts forfeited pursuant to 5 U.S.C. 8432(g)(2) and other nonstatutory forfeited amounts, net of restored forfeited amounts.

*G Fund* means the Government Securities Investment Fund established pursuant to 5 U.S.C. 8438(b)(1)(A).

*Individual account* means the account established for a participant in the Thrift Savings Fund pursuant to 5 U.S.C. 8439(a)(2).

*Investment Fund* means the G Fund, the F Fund, or the C Fund.

*Month-end account balance* means the value, as of the allocation date, of the

funds for each source of contributions in each investment fund, including all earnings, and any forfeiture, restored forfeited amount, adjustment, earnings correction, loan, withdrawal, or interfund transfer transactions posted as of the allocation date.

*Posting* means the process of crediting or debiting amounts to an individual account.

*Recordkeeper* means the organization designated by the Board as the Thrift Savings Plan's recordkeeper.

*Source* means the origin of any one of the three types of contributions that are made to the Fund on behalf of participants—employee contributions, agency automatic (1%) contributions, or agency matching contributions.

*Thrift Savings Fund* or *Fund* means the Fund described in 5 U.S.C. 8437.

*Valuation period* means the calendar month during which earnings accrue.

[53 FR 15621, May 2, 1988, as amended at 61 FR 58973, Nov. 20, 1996]

#### § 1645.2 Posting of receipts.

Agency and employee contributions and loan repayments will be posted by source and by investment fund to the appropriate individual account on the day they are processed by the recordkeeper.

[61 FR 58974, Nov. 20, 1996]

#### § 1645.3 Calculation of net earnings for each investment fund.

(a) For each valuation period, net earnings will be calculated separately for each investment fund.

(b) Net earnings for each investment fund will equal:

(1) The sum of the following items, if any, accrued during the current valuation period:

(i) Interest on money of that investment fund which is invested with the G Fund;

(ii) Interest on other short-term investments of the investment fund;

(iii) Income (such as dividends and interest) on other investments of the investment fund; and

(iv) Capital gain or loss on investments of the investment fund, net of transaction costs.

(2) Minus the accrued administrative expenses of the investment fund, determined in accordance with § 1645.4.

(c) The net earnings for each investment fund resulting from paragraph (b) of this section will be adjusted by residual net earnings from the previous valuation period for that investment fund, as described in § 1645.6(b), to produce the earnings available for allocation to the participant accounts in the respective investment fund for the current valuation period.

[53 FR 15621, May 2, 1988, as amended at 61 FR 58974, Nov. 20, 1996]

#### § 1645.4 Administrative expenses attributable to each investment fund.

A portion of administrative expenses accrued during each valuation period will be charged to each investment fund. The investment funds' respective portions will be determined as follows:

(a) Investment managers' fees and other accrued administrative expenses attributable only to the C or F Fund will be charged to the C or F Fund, respectively;

(b) All other accrued administrative expenses will be reduced by forfeitures and earnings on forfeitures accrued during the valuation period;

(c) The amount of accrued administrative expenses not covered by forfeitures under paragraph (b) of this section will be charged on a *pro rata* basis to the investment funds, based on the respective investment fund balances on the last day of the prior valuation period.

[61 FR 58974, Nov. 20, 1996]

#### § 1645.5 Basis for allocation of earnings.

(a) *Individual account basis.* Except for the amounts described in paragraph (b) of this section, the individual account basis on the earnings allocation date for each source of contributions in each investment fund equals:

(1) The month-end account balance as of the previous allocation date; plus

(2) One-half of contributions posted to the individual account during the current valuation period (except for contributions referred to in paragraph (b) of this section); plus

## § 1645.6

(3) One-half of all loan repayments posted to the individual account during the current valuation period.

(b) *Inclusion of retroactive contributions.* The individual account basis for agency automatic (1%) contributions will also include all amounts attributable to retroactive contributions that are made to the individual account pursuant to 5 U.S.C. 8432(c)(3) and that are processed by the record-keeper during the current valuation period.

(c) *Computation of fund basis.* For each valuation period, the total fund basis for each investment fund will be the sum of all individual account bases for all sources of contributions in that investment fund, calculated as described in paragraphs (a) and (b) of this section.

[61 FR 58974, Nov. 20, 1996]

### § 1645.6 Earnings allocation for individual accounts.

(a) *Computation of earnings for each individual account.* Earnings for each source of contributions for each investment fund will be allocated to each individual account separately. The total net earnings for each investment fund (as computed under § 1645.3) will be divided by the total fund basis for that investment fund (as computed under § 1645.5(c)). The resulting number (the "allocation factor") will be multiplied by the individual account basis for the respective source of contributions in that investment fund (as computed under § 1645.5(a)), to determine the individual account earnings for the valuation period attributable to that source of contributions in that investment fund. The earnings of the individual account for each source of contributions in each investment fund, when added together, will constitute the earnings for that individual account during the valuation period.

(b) *Residual net earnings.* Amounts allocated to individual accounts may not exceed the total amount of earnings available to be allocated. To avoid allocating excessive amounts, computation of earnings for individual accounts described in paragraph (a) of this section will not include fractions of a cent. Residual net earnings attributable to unallocated fractions of a cent will be

## 5 CFR Ch. VI (1–1–97 Edition)

allocated with the earnings for the following valuation period.

[61 FR 58974, Nov. 20, 1996]

### § 1645.7 Posting of earnings to individual accounts.

For each source of contributions for each investment fund, the amount of earnings computed for each individual account in a valuation period, as described in § 1645.6, will be posted to the individual account as of the allocation date.

[61 FR 58974, Nov. 20, 1996]

## PART 1650—METHODS OF WITHDRAWING FUNDS FROM THE THRIFT SAVINGS PLAN

### Subpart A—General

- 1650.1 Definitions.
- 1650.2 Eligibility.
- 1650.3 Separation from Government employment.
- 1650.4 Rehired employees.
- 1650.5 Outstanding loans.
- 1650.6 Frozen accounts.
- 1650.7 Monthly cycle for withdrawal payments.

### Subpart B—Withdrawal Options

- 1650.8 Single payment.
- 1650.9 Monthly payments.
- 1650.10 Annuities.
- 1650.11 Transfer of withdrawal payments.
- 1650.12 Deferred withdrawal elections.
- 1650.13 Required date for making withdrawal election.
- 1650.14 Changes and cancellation of withdrawal election.

### Subpart C—Procedures for Withdrawing TSP Accounts

- 1650.15 Information to be provided by agency.
- 1650.16 Accounts of more than \$3,500.
- 1650.17 Accounts of \$3,500 or less.

### Subpart D—Spousal Rights

- 1650.18 Spouses of FERS participants.
- 1650.19 Spouses of CSRS participants.
- 1650.20 Spousal rights when participant changes withdrawal election.
- 1650.21 Executive Director's exception to requirement to notify the spouse.
- 1650.22 Executive Director's exception to the requirement to obtain the spouse's signature.