

*Negative adjustment record* means a data record submitted by an employing agency indicating money to be removed from a participant's account;

*Open season* means the period during which participants may choose to begin making contributions to the Thrift Savings Plan, to change or discontinue (without losing the right to recommence contributions the next open season) the amount currently being contributed to the Thrift Savings Plan, or to allocate prospective contributions to the Thrift Savings Plan among the investment funds;

*Participant* means any person with an account in the Thrift Savings Fund, or who would have an account in the Thrift Savings Fund but for an employing agency error;

*Payment record* means a data record submitted by an employing agency indicating contributions to be deposited to a participant's account;

*Payroll submission* means an entire submission of one or more TSP payment records (whether submitted on magnetic tape, diskette, or paper forms such as Form TSP-5, Employee Data/Payment/Adjustment Record Input Form), accompanied by a Form TSP-2, Certification of Transfer of Funds and Journal Voucher;

*Received*, with respect to TSP records or information provided by an employing agency, means receipt by the TSP recordkeeper of records or information that can be accepted and processed. For purposes of this definition, TSP records that are received by the TSP recordkeeper, but subsequently are deleted by the TSP recordkeeper because an error in the data prevented the record from processing, will not be deemed to have been received by the TSP recordkeeper;

*Source of contributions* means either Employee Contributions, Agency Automatic (1%) Contributions, or Agency Matching Contributions;

*Submission* or *submitted* means a transfer of data which has been received by the TSP recordkeeper;

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

*Thrift Savings Plan*, *TSP*, or *Plan* means the Federal Retirement Thrift Savings Plan established by the Federal Employees' Retirement System

Act of 1986, codified in pertinent part at 5 U.S.C. 8431 *et seq.*;

*Timely*, with respect to loan allotments or TSP contributions other than those made pursuant to 5 U.S.C. 8432(c)(1) (B) or (C), means receipt of TSP payment records or loan allotments by the TSP recordkeeper no later than 12 days after the end of the pay period for which the contribution should have been made. With respect to TSP contributions made pursuant to 5 U.S.C. 8432(c)(1)(B) and (C), *timely* means receipt of TSP payment records by the TSP recordkeeper on or before April 16, 1987;

*TSP Recordkeeper* means the entity that is engaged by the Board to perform recordkeeping services for the Thrift Savings Plan. As of the date of publication of this part 1606, the TSP recordkeeper is the National Finance Center, Office of Finance and Management, United States Department of Agriculture, located in New Orleans, Louisiana.

#### § 1606.3 General rule.

Except as otherwise provided, employing agencies shall pay to the Thrift Savings Fund any amount, computed by the TSP recordkeeper in a manner consistent with this part 1606, that is required to restore to the TSP account of the participant or participants involved earnings lost as a result of an employing agency error. Where lost earnings are required, the employing agency must, in accordance with this part 1606 and any instructions provided by the Board or the TSP recordkeeper, submit to the TSP recordkeeper all information and certification that is required to enable the TSP recordkeeper to compute the amount of lost earnings payable by the employing agency, and to charge that amount to the appropriate employing agency.

#### § 1606.4 Applicability.

(a) *In general.* Except as otherwise provided, the provisions of this part 1606 apply in any case where, due to employing agency error, the Thrift Savings Fund has not invested or had the use of money that would have been invested in the Thrift Savings Fund had the employing agency error not occurred, or where the money would have

been invested in a different investment fund had the error not occurred.

(b) *Back pay awards and other retroactive pay adjustments.* The application of this part 1606, as described in paragraph (a) of this section, includes TSP contributions derived from payments associated with back pay awards or other retroactive pay adjustments that are based on a determination that the employing agency paid a participant less than the full amount of basic pay to which the participant was entitled.

(c) *Timing of errors.* This part 1606 applies regardless of whether the employing agency error that caused the effects described in paragraph (a) of this section occurred prior to, at, or after the inception of the TSP.

(d) *De minimis rules.* Notwithstanding paragraphs (a) through (c) of this section or any other provision of this part 1606:

(1) Lost earnings shall not be payable where the amount of money for a source of contributions in a participant's account that is not invested in the Thrift Savings Fund due to an employing agency error, or that is invested in the wrong investment fund due to an employing agency error, is less than one dollar (\$1.00) for that source of contributions. Where the employing agency error caused delayed or erroneous contributions for more than one pay period, this paragraph shall apply separately to each pay period involved.

(2) Where the employing agency error caused delay in submission of TSP payment records or loan allotments, lost earnings shall not be payable unless the belated contributions or loan allotments were received by the TSP recordkeeper more than 30 days after the pay date associated with the pay period for which the contributions or loan allotments would have been submitted had the employing agency error not occurred.

(3) For employing agency errors not covered by paragraph (d)(2) of this section, lost earnings shall not be payable unless, as the result of an employing agency error, money was not invested in the Thrift Savings Fund for a period extending more than 30 days after the date it would have been invested had the error not occurred.

(4) The 30-day requirements contained in paragraphs (d)(2) and (d)(3) of this section do not apply where, due to employing agency error, money in a participant's account has been invested in an incorrect investment fund.

(e) *Contributions for pre-1987 service.* This part does not apply to errors involving employing agency delay in submitting contributions required by 5 U.S.C. 8432(c)(3).

(f) *Contributions for service in January through March 1987.* Notwithstanding any other provision of this section, lost earnings shall be payable with respect to contributions made pursuant to 5 U.S.C. 8432(c)(1) (B) or (C) if the payment records containing those contributions were received by the TSP recordkeeper after April 30, 1987.

#### Subpart B—Lost Earnings Attributable to Delayed or Erroneous Contributions

##### §1606.5 Failure to timely make or deduct TSP contributions when participant received pay.

(a) If a participant receives pay, but as the result of an employing agency error all or any part of the Agency Automatic (1%) Contributions associated with that pay to which the participant is entitled are not timely received by the TSP recordkeeper, then the belated contributions shall be subject to lost earnings. In such cases:

(1) The employing agency must, for each pay period involved, submit to the TSP recordkeeper a lost earnings record indicating the pay date for which the belated contribution would have been made had the error not occurred, the investment fund to which the belated contribution would have been deposited had the error not occurred, the amount of the belated contribution, and the pay date for which the belated contribution was actually made. If the belated contribution was actually deposited to an investment fund different from the investment fund to which it would have been deposited had the contribution been timely submitted, then the employing agency must submit an additional lost earnings record indicating the amount of the belated contribution, the pay date for which it was actually made,