

the maximum CSRS employee contribution is 7.5 percent of basic pay. Starting with the first pay period beginning on or after October 1, 1987, the maximum CSRS employee contribution is 5 percent of basic pay.

(c) *CSRS employees who transfer to FERS.* The maximum employee contribution for CSRS employees who have transferred to FERS and have elected to participate in the Thrift Savings Plan, as described in §1600.12, is 10 percent of basic pay.

(d) Section 402(g) of the Internal Revenue Code places a ceiling on the amount which an employee may save on a tax-deferred basis through plans such as the Thrift Savings Plan. Employee contributions to the Thrift Savings Plan may be restricted or refunded to conform with this limit.

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§1600.11 Required reductions of contribution rates.

The employing agency shall reduce the contribution of any FERS employee or CSRS employee whose elected contribution exceeds the applicable maximum percentage set forth in §1600.10 (a) or (b). For any FERS employee or CSRS employee covered by this section who has elected to contribute a percentage of basic pay, the employing agency shall automatically reduce the contribution rate to the applicable maximum percentage. For any FERS employee or CSRS employee covered by this section who has elected to contribute a whole dollar amount, the employing agency shall reduce the whole dollar amount to the highest whole dollar amount which does not exceed the applicable maximum percentage.

Subpart D—Civil Service Retirement System Employees

§1600.12 Election period for Civil Service Retirement System employees who transfer to the Federal Employees' Retirement System.

(a) *General.* Section 8432(b)(3) of the Act authorizes the Executive Director to provide a reasonable period following the election by an eligible CSRS employee to transfer to FERS for that

employee to make an election to contribute to the Thrift Savings Plan.

(b) *Individual election period.* Notwithstanding §1600.2(c), each CSRS employee who transfers to FERS may make an election to contribute to the Thrift Savings Plan at the same time the individual elects to become subject to FERS and for 30 calendar days after the effective date of such election. The election options set forth in §1600.4 shall be available to each such individual, and elections shall be made by the method described in §1600.6. An election to contribute to the Thrift Savings Plan shall become effective no later than the first day of the first pay period following the acceptance of the election form by the employing agency. Such individual shall be subject to all provisions of this part except as limited by §1600.10(c).

(c) Beginning upon the effective date of the employee's election to transfer to FERS, until the employee makes an election to contribute to the Thrift Savings Plan under paragraph (b) of this section, the rate of contribution as a CSRS employee will be considered to be the rate of contribution as a FERS employee. The preceding sentence shall not apply where the CSRS employee's contribution rate was 7.5%. In such case, until the employee elects otherwise, the employee's FERS contribution rate shall be 7%.

§1600.13 Contributions by Civil Service Retirement System employees.

(a) *General.* 5 U.S.C. 8351 permits CSRS employees to elect to contribute to the Thrift Savings Plan for investment in the Government Securities Investment Fund only. The initial open season for CSRS employees who were employees as of March 31, 1987 shall be February 15, 1987 through April 30, 1987. The next open season for such employees with no intervening break in employment shall be May 15, 1987 through July 31, 1987. An election made during an open season by a CSRS employee shall become effective as described in §1600.7.

(b) *Election upon reemployment.* A CSRS employee reemployed on or after April 1, 1987, who was not previously eligible to contribute to the Thrift Savings Plan, may make an election to

contribute as described in §1600.4(a)(1) during the second open season (determined in accordance with paragraph (d) of this section) beginning after the date of the employee's reemployment.

(c) A CSRS employee reemployed on or after April 1, 1987 who was previously eligible to contribute to the Thrift Savings Plan may make an election to contribute as described in §1600.4(a)(1) during the first open season (determined in accordance with paragraph (d) of this section) beginning after the date of the employee's reemployment.

(d) For a CSRS employee employed or reemployed during any open season, but whose employment or reemployment during such open season is prior to the election period occurring during the last calendar month of such open season, the open season during which the employee is employed or reemployed shall be considered the first open season.

(e) Applicability of other sections. All sections in subparts A through C shall apply to CSRS employees except for §§1600.3, 1600.4(b), and 1600.10 (a) and (c), or where otherwise specifically stated.

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Subpart E—Elections by Certain Senior Officials Who Were Brought Under Social Security Coverage on January 1, 1984, Pursuant to the Social Security Act Amendments of 1983

§1600.14 Officials covered by Social Security who elected full CSRS coverage.

Officials who elected full coverage by both the CSRS and Social Security systems have the option pursuant to 5 CFR 846.201, to transfer to FERS. Alternatively, such officials may elect CSRS offset coverage or may elect to continue full CSRS coverage. If such officials transfer to FERS, they may make an election to participate in the Thrift Savings Plan under the rules and conditions described in §1600.12. If

such officials elect either full or offset CSRS coverage, they may not make any special election to participate in the Thrift Savings Plan as a result of such election and they will continue to be treated as CSRS employees under this part.

§1600.15 Officials covered by Social Security who elected to have no other retirement coverage.

Officials who have only Social Security coverage have the option pursuant to 5 CFR 846.201 to transfer to FERS. Alternatively, such officials may elect CSRS offset coverage or may elect to continue to have no retirement coverage other than Social Security. If such officials transfer to FERS, they may make an election to participate in the Thrift Savings Plan under the rules and conditions described in §1600.12. If such officials elect coverage under the CSRS offset system, they may make an election to participate in the Thrift Savings Plan as a CSRS employee at the same time as the election to become subject to the CSRS offset system, or within 30 calendar days after the effective date of such election. If such officials continue coverage under Social Security only, they may not participate in the Thrift Savings Plan.

§1600.16 Officials who elected interim CSRS and Social Security coverage.

Officials who elected interim CSRS and Social Security coverage have the option pursuant to 5 CFR 846.201 to transfer to FERS. Alternatively, such officials may elect CSRS offset coverage. If such officials transfer to FERS, they may make an election to participate in the Thrift Savings Plan under the rules and conditions described in §1600.12. If such officials elect coverage under the CSRS offset provisions, they may not make any special election to participate in the Thrift Savings Plan as a result of such election and they will continue to be treated as CSRS employees under this part.