

## § 1601.3

(c) *Transition rule.* Beginning with the first full pay period starting on or after January 1, 1991, all new contributions to any participant's account which are made pursuant to an Election Form that was made effective prior to the first full pay period starting on or after January 1, 1991, must be reported by the employing agency for investment in the G Fund unless the participant has made a different allocation election during the open season commencing November 15, 1990 and ending on January 31, 1991, which is effective as of the first full pay period starting on or after January 1, 1991. Where contributions to a participant's account are invested in the G Fund pursuant to this paragraph, new contributions to the participant's account must continue to be reported by the employing agency for investment in the G Fund unless and until a new allocation election is made effective. For open seasons subsequent to the open season commencing November 15, 1990 and ending on January 31, 1991, a participant who does not wish to change his or her current allocation election does not need to submit a new Election Form.

(d) *Contributions for pre-1987 service.* Any other provision of this section notwithstanding, any Agency Automatic (1%) Contributions made pursuant to 5 U.S.C. 8432(c)(3) must be reported by the employing agency for investment in the G Fund, regardless of any allocation election that may be in effect at the time the contribution is made.

### § 1601.3 Erroneous investment of contributions.

Where employing agency errors have caused money to be invested in an incorrect investment fund, correction of such error must be accomplished exclusively through the procedures described in 5 CFR part 1606.

## Subpart C—Interfund Transfers

### § 1601.4 Eligibility to redistribute money among the three investment funds.

(a) Subpart C of this part applies only to redistributing participants' existing account balances among the C Fund, F Fund, and G Fund. Subpart C

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of this part does not apply to participants' choice of the investment funds in which new contributions are to be invested; those choices are covered in subpart B of this part.

(b) *Removal of investment restrictions.* Pursuant to section 3 of the Thrift Savings Plan Technical Amendments Act of 1990 (TSPTAA), Public Law 101-335, starting December 31, 1990 FERS and CSRS participants may, in accordance with this part, invest all or any portion of their account balances in the C Fund, F Fund, or G Fund. Interfund transfer elections will be applied to participants' Employee Contributions, Agency Automatic (1%) Contributions, Agency Matching Contributions, and earnings attributable to all three sources of contributions.

[56 FR 594, Jan. 7, 1991, as amended at 60 FR 47837, Sept. 14, 1995]

### § 1601.5 Methods of requesting an interfund transfer.

(a) To make an interfund transfer, participants may either submit to the TSP recordkeeper a properly completed Interfund Transfer Request (Form TSP-30), or may enter the interfund transfer request over the telephone by using the ThriftLine. Forms TSP-30 generated prior to October 1990, which were preprinted with a participant's name and address, described restrictions on the amounts which could be invested in the C Fund and the F Fund, and specified an effective date for the interfund transfer, are obsolete forms. They will be rejected by the TSP recordkeeper if submitted to make an interfund transfer request. Similarly, Form TSP-30-S, which was designed for use only by certain FERS participants to make interfund transfers effective as of the end of December 1990, are obsolete forms which will be rejected by the TSP recordkeeper if submitted to make an interfund transfer request.

(b) To make an interfund transfer request, a participant must designate the percentages of his or her account balance that are to be invested in the C Fund, the F Fund, and/or the G Fund. The percentages selected by the participant must be in multiples of 5 percent and must total 100 percent. An interfund transfer request has no effect

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on contributions made by a participant after the effective date of the interfund transfer (as determined in accordance with § 1601.6); such subsequent contributions will continue to be allocated among the investment funds in accordance with the participant's election under subpart B of this part.

(c) The percentages elected by the participant will be applied to the participant's account balance attributable to each source of contributions as of the effective date of the interfund transfer, as determined in accordance with § 1601.6.

(d) Participants who have at any time in the past invested any portion of their TSP accounts in the C Fund or the F Fund are eligible to make interfund transfer requests using the ThriftLine since they must, at some previous time, have submitted an Acknowledgment of Risk; such participants need not, if using Form TSP-30 to make a written interfund transfer request, complete the section of the form that contains the acknowledgment of risk. Participants who have not at any time in the past invested any portion of their TSP accounts in the C Fund or the F Fund are not eligible to make interfund transfers using the ThriftLine until a properly completed Acknowledgment of Risk for ThriftLine Interfund Transfer (Form TSP-32) has been received by the TSP recordkeeper. Participants who have not at any time in the past invested any portion of their TSP accounts in the C Fund or the F Fund must complete the Acknowledgment of Risk section of Form TSP-30 if they make a written interfund transfer request, unless a properly completed Form TSP-32 has been received by the TSP recordkeeper.

(e) An Interfund Transfer Request (Form TSP-30) that has been submitted to the TSP recordkeeper will not be processed and will have no effect, if:

(1) It is not signed and dated, or otherwise is not properly completed in accordance with the instructions on the form; or

(2) In the case of a participant who has not previously invested any portion of his or her TSP account in the C Fund or the F Fund and for whom a properly completed Form TSP-32 has

not been received by the TSP recordkeeper, the acknowledgment of risk section of the Form TSP-30 is not signed; or

(3) The participant is not otherwise eligible to make an interfund transfer (e.g., because he or she is scheduled for a withdrawal of the entire account balance).

(f) If a Form TSP-30 is rejected, the form will have no effect. The participant will be provided with a brief written statement of the reason the form was rejected.

[60 FR 36633, July 17, 1995]

**§ 1601.6 Timing and effective dates of interfund transfers.**

(a) *Annual limit.* A participant may have no more than twelve interfund transfers made effective during any calendar year, one in each calendar month.

(b) *Effective dates.* Interfund transfer requests received by the TSP recordkeeper (whether by Form TSP-30 or on the ThriftLine) on or before the 15th day of a month (or, if the 15th day is not a business day, by the next business day) shall be effective as of the end of the month during which the interfund transfer request was received. Interfund transfer requests received by the TSP recordkeeper after the 15th day of a month (or, if applicable, by the next business day) will be effective as of the end of the month following the month during which the interfund transfer request was received. Account balances that are reallocated among the investment funds effective as of the end of any month will reflect the effects of all other account activity posted to the account effective during or as of the end of that month.

(c) *Multiple interfund transfer requests.* (1) If two or more properly completed interfund transfer requests with different dates (as determined by paragraph (c)(3) of this section) are received for the same participant after the 15th day of one month (or, if applicable, after the next business day), but on or before the 15th day of the next month (or, if applicable, the next business day), the interfund transfer request with the latest date (as determined by paragraph (c)(3) of this section) will be made effective and the earlier

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interfund transfer request(s) will be superseded.

(2) If two or more properly completed interfund transfer requests with the same dates are received for the same participant after the 15th day of one month (or, if applicable, after the next business day), but on or before the 15th day of the next month (or, if applicable, the next business day), the following rules shall apply:

(i) If one or more of the interfund transfer requests was submitted using the ThriftLine and one or more was made on Form TSP-30, the request(s) made on the ThriftLine will supersede the request(s) made on Form TSP-30;

(ii) If more than one of the interfund transfer requests were made on the ThriftLine, the request entered at the latest time of day will supersede the earlier request(s); and

(iii) If more than one of the interfund transfer requests were submitted using Form TSP-30, all such forms will be rejected, unless they all contain identical percentage allocations among the TSP investment funds, in which case one will be accepted.

(3) For purposes of determining the date of an interfund transfer request:

(i) The date of an interfund transfer request made on the ThriftLine is the date of its telephone entry;

(ii) The date of an interfund transfer request made on Form TSP-30 is the signature date set forth on the form by the participant; and

(iii) Central time will be used for determining the date on which a transaction is entered on the ThriftLine.

(d) *Cancellation of interfund transfer requests.* Interfund transfer requests may be canceled either in writing or by entering the cancellation of the ThriftLine.

(1) *Cancellation by letter.* A participant may cancel an interfund transfer request by submitting a letter to the TSP recordkeeper requesting cancellation. To be accepted, the cancellation letter must be signed and dated and must contain the participant's name, Social Security number, and date of birth. To be effective, the cancellation letter must be received on or before the 15th day of the month as of the end of which the interfund transfer is to be effective (or, if applicable, by the next

business day). Unless the letter states unambiguously the specific interfund transfer request it seeks to cancel, the written cancellation will apply to any interfund transfer request with a date (as determined under paragraph (c)(3) of this section) before the date of the cancellation letter. If the date of a cancellation letter is the same as the date of an interfund transfer request and the request was made on Form TSP-30, the Form TSP-30 will be canceled; if the request was made on the ThriftLine it will only be canceled if the written cancellation specifies the date of the ThriftLine request to be canceled.

(2) *Cancellation on the ThriftLine.* (i) An interfund transfer request may also be canceled by entering the cancellation on the ThriftLine on or before the 15th day of the month (or, if applicable, the next business day) as of the end of which the interfund transfer is to be effective. A cancellation entered on the ThriftLine will apply to a pending interfund transfer request entered on the ThriftLine before the entry of the cancellation. A cancellation entered on the ThriftLine can only apply to interfund transfer requests submitted on Forms TSP-30 that were:

(A) Dated on or before the date of the cancellation; and

(B) Received and entered into the TSP recordkeeping system before the cancellation is attempted on the ThriftLine.

(ii) The Board cannot guarantee that the TSP recordkeeper will enter Forms TSP-30 into the TSP recordkeeping system before the 15th day of the month, regardless of the date the Form TSP-30 may have been received. Thus, participants cannot rely on the ThriftLine to cancel an interfund transfer request that was submitted on Form TSP-30, and participants are discouraged from attempting to do so. The Board is not responsible for any consequences of a participant's inability to cancel on the ThriftLine an interfund transfer request submitted on Form TSP-30.

[60 FR 36633, July 17, 1995]

### § 1601.7 Error correction.

Errors in processing interfund transfers will be corrected in accordance

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

### PART 1603—VESTING

#### Sec.

- 1603.1 Definitions.
- 1603.2 Basic vesting rules.
- 1603.3 Service requirements.

AUTHORITY: 5 U.S.C. 8432(g), 8432b(h)(1), 8474(b)(5) and (c)(1).

SOURCE: 52 FR 29835, Aug. 12, 1987, unless otherwise noted.

#### § 1603.1 Definitions.

Terms used in this part shall have the following meaning:

*Agency automatic (1%) contributions* means any contributions made under 5 U.S.C. 8432(c)(1);

*CSRS* means the Civil Service Retirement System established by 5 U.S.C. chapter 83, subchapter III, and any equivalent Federal Government retirement plan;

*CSRS employee* means any employee, Member, or participant covered by CSRS, including employees authorized to contribute to the Thrift Savings Plan under 5 U.S.C. 8351, or 5 U.S.C. 8440a to 8440d;

*FERS* means the Federal Employees' Retirement System established by 5 U.S.C. chapter 84, and any equivalent Federal Government retirement plan;

*FERS employee* means an employee, Member, or participant covered by FERS;

*First conversion contributions* refers to the retroactive agency contributions, including interest on these contributions, made under 5 U.S.C. 8432(c)(3)(C) to the TSP accounts of employees who were automatically converted to the Federal Employees' Retirement System on January 1, 1987;

*Individual account* means the total of all sums contributed to the Thrift Savings Plan by or on behalf of a CSRS employee or FERS employee, plus earnings allocated to the employee's account under 5 CFR part 1645;

*Separation date* means the effective date of an employee's separation from Government service;

*Separation from Government service* has the same meaning as provided in 5 CFR 1650.3;

*Service* means:

(1) Any non-military service that is creditable under either 5 U.S.C. chapter 83, subchapter III, or 5 U.S.C. 8411, provided however, that such service is to be 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 written notice of that individual's desire to become subject to the retirement system established by 5 U.S.C. chapters 83 or 84; or

(2) Any military service creditable under the provisions of 5 U.S.C. 8432b(h)(1) and the regulations issued at 5 CFR part 1620, subpart H;

*Vested* means those amounts in an individual account which are nonforfeitable; and

*Year of service* means one full calendar year of service.

[62 FR 33968, June 23, 1997]

#### § 1603.2 Basic vesting rules.

(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 (including all first conversion contributions) are immediately vested.

(c) Except as provided in paragraph (d) of this section, upon separation from Government service without meeting the applicable service requirements of § 1603.3, a FERS employee's agency automatic (1%) contributions and attributable earnings will be forfeited.

(d) If a FERS employee dies (or died) after January 7, 1988, without meeting the applicable service requirements set forth in § 1603.3, the agency automatic (1%) contributions and attributable earnings in his or her individual account are deemed vested and shall not be forfeited. If a FERS employee died on or before January 7, 1988, without meeting those service requirements, his or her agency automatic (1%) contributions and attributable earnings are forfeited to the Thrift Savings Plan.

[52 FR 29835, Aug. 12, 1987, as amended at 62 FR 33969, June 23, 1997]