

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

## PART 1603—VESTING

Sec.

1603.1 Definitions.

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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]

**§ 1603.3 Service requirements.**

(a) Except as provided under paragraph (b) of this section, FERS employees will be vested in their agency automatic (1%) contributions and attributable earnings upon separating from Government only if, as of their separation date, they have completed three years of service.

(b) FERS employees will be vested in their agency automatic (1%) contributions and attributable earnings upon separating from Government service if, as of their separation date, they have completed two years of service and 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.

[52 FR 29835, Aug. 12, 1987, as amended at 60 FR 24535, May 9, 1995; 62 FR 33969, June 23, 1997]

## PART 1605—CORRECTION OF ADMINISTRATIVE ERRORS

### Subpart A—Definitions

Sec.

1605.1 Definitions.

#### Subpart B—Employing Agency Errors

1605.2 Makeup of missed or insufficient contributions.

1605.3 Removal of erroneous contributions.

1605.4 Back pay awards and other retroactive pay adjustments.

1605.5 Misclassification of retirement coverage.

1605.6 Procedures for claims against employing agencies; time limitations.

#### Subpart C—Board or TSP Recordkeeper Errors

1605.7 Plan-paid lost earnings and other corrections.

1605.8 Claims for correction of Board or TSP Recordkeeper errors; time limitations.

#### Subpart D—Miscellaneous Provisions

1605.9 Miscellaneous provisions.

AUTHORITY: 5 U.S.C. 8351 and 8474.

SOURCE: 61 FR 68472, Dec. 27, 1996, unless otherwise noted.

### Subpart A—Definitions

#### § 1605.1 Definitions.

The following definitions apply for purposes of this part:

*Account* or *TSP account* means a participant's account in the Thrift Savings Plan;

*Agency automatic (1%) contributions* means any contributions made under 5 U.S.C. 8432 (c)(1) or (c)(3);

*Agency contributions* means agency automatic (1%) contributions and agency matching contributions;

*Agency matching contributions* means any contributions made under 5 U.S.C. 8432(c)(2);

*Basic pay* means basic pay as defined in 5 U.S.C. 8331(3), and it is the rate of pay used in computing any amount the individual is required to contribute to the Civil Service Retirement and Disability Fund as a condition for participating in the CSRS or the FERS, as the case may be;

*Board* means the Federal Retirement Thrift Investment Board;

*Board error* means any act or omission by the Board that is not in accordance with applicable statutes, regulations, or administrative procedures made available to employing agencies and/or TSP participants (including, but not limited to, TSP communications materials and other publications);

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

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