

business on the ending date of the period covered by the statement:

- (1) The balance of the account;
- (2) The amounts of contributions and earnings in the C Fund, the F Fund, and the G Fund, by source of contribution;
- (d) All transactions made in accordance with §1640.4 and affecting the individual account which occurred during the period covered by the statement;
- (e) Any other information that the Executive Director determines should be in the statement.

[52 FR 20371, June 1, 1987, as amended at 62 FR 34155, June 24, 1997]

§ 1640.4 Account transactions.

(a) Where relevant, the following transactions will be reported in each individual account statement:

- (1) Contributions;
- (2) Earnings posted;
- (3) Withdrawals;
- (4) Forfeitures;
- (5) Loan Activity;
- (6) Transfers among investment funds;
- (7) Adjustments to prior transactions; and
- (8) Any other transaction that the Executive Director deems will affect the status of the individual account.

(b) Where relevant, the statement will contain the following information concerning each transaction identified in paragraph (a) of this section:

- (1) Type of transaction;
- (2) Pay date of the pay period in which the transaction was reflected in the participant's salary payment;
- (3) Investment funds affected;
- (4) Date the transaction was processed;
- (5) Source of the contribution;
- (6) Amount of the transaction; and
- (7) Any other information the Executive Director deems relevant.

[62 FR 34155, June 24, 1997]

§ 1640.5 Investment fund information.

For each open season, the Executive Director will furnish each participant with a statement concerning each of the investment funds. This statement will contain the following information concerning each investment fund:

(a) A summary description of the type of investments to be made by the fund, written in a manner that will allow the participant to make an informed decision; and

(b) The performance history of the type of investments to be made by the fund, covering the five-year period preceding the date of the evaluation.

[62 FR 34155, June 24, 1997]

§ 1640.6 Method of providing information.

(a) *Individual account statement.* The information concerning each participant's individual account described in §§1640.3 and 1640.4 will be sent to the participant at the participant's last known address, by first class mail. It is the participant's responsibility to provide his or her current address to his or her agency or, in the case of a separated employee, to the record keeper.

(b) *Investment information.* The investment information described in §1640.5 will be furnished to each participant either:

(1) By mailing the information to the participant by the method described in paragraph (a) of this section; or

(2) By including that information in material published by the Board and distributed in a manner reasonably designed to reach the participant. This includes distributing the material through the participant's agency or, in the case of a separated employee, through the record keeper.

[62 FR 34155, June 24, 1997]

PART 1645—ALLOCATION OF EARNINGS

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

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

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§ 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

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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

(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 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

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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

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1650.63 Executive Director's exception to the spousal notification requirement.

1650.64 Executive Director's exception to requirement to obtain the spouse's signature.

AUTHORITY: 5 U.S.C. 8351, 8433, 8434, 8435, 8474(b)(5), and 8474(c)(1).

SOURCE: 62 FR 49113, Sept. 18, 1997, unless otherwise noted.

Subpart A—General

§ 1650.1 Definitions.

As used in this part:

Account balance means, unless otherwise specified, the nonforfeitable valued account balance of a TSP participant as of the most recent month-end before the date a withdrawal occurs.

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

CSRS means the Civil Service Retirement System established by 5 U.S.C. chapter 83, subchapter III, or any equivalent retirement system.

FERS means the Federal Employees' Retirement System established by 5 U.S.C. chapter 84, or any equivalent retirement system.

In-service withdrawal means an age-based or financial hardship withdrawal from the TSP obtained by a participant who is still employed by the Government.

Monthly processing cycle means the process, beginning on the evening of the fourth business day of the month, by which the record keeper allocates the amount of earnings to be credited to participant accounts in the Plan and authorizes disbursements from the Plan.

Participant means any person with an account in the Thrift Savings Plan.

Post-employment withdrawal means a withdrawal from the TSP obtained by a participant who has separated from Government employment, as defined in this section.

Reimbursement means a payment made to or on behalf of a participant by any person or entity (including an insurance company) to cover the cost of an extraordinary expense described in §1650.31(a)(2).

Separation from Government employment means the cessation of employment with the Federal Government or