

DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR PERSONNEL, G-1
USACHRA, SOUTHWEST REGION
FORT CARSON CIVILIAN PERSONNEL ADVISORY CENTER
1626 Ellis Street, Bldg 1118
FORT CARSON, COLORADO, 80913

CSRS AND CSRS OFFSET REHIRES AND TRANSFERS

Congratulations on your continuation of Federal service and welcome to the Department of the Army, Fort Carson, Colorado. Your appointment is subject to the Civil Service Retirement System (CSRS), or, FICA and CSRS Partial, commonly known as CSRS Offset. Unless you have transferred or had a break in service of 30 days or less, you will be automatically enrolled in the Thrift Savings Plan (TSP).

The TSP is a retirement savings and investment plan for Federal employees and is similar to 401(k) plans available to many private sector employees. The purpose of the TSP is to provide you the opportunity to participate in a long-term retirement savings and investment plan and is an ideal supplement to your CSRS annuity. The TSP is also a "portable" benefit which accepts transfers to/from other eligible retirement plans.

Rehired with a break in service of 30-days or less

For transfers or those rehired to a CSRS-covered appointment with a break in service of 30 days or less, your last TSP election will continue. *You will not be automatically enrolled in the TSP* (as described in the next paragraph), however, you may change or stop your TSP election, and if you were not previously contributing, you may choose to elect to contribute to the TSP at any time.

Automatic Enrollment (If rehired with more than a 30-day break in service)

The amount of your automatic contribution to the TSP is 3% of your basic pay (including locality pay) which will be deducted from your pay and deposited into your TSP account every pay period, unless you take action to stop the contributions or make your own election. TSP contributions deducted from your pay are tax deferred for purposes of Federal and, in most cases, state income tax.

This is a good start toward saving additional money for retirement; however, you can easily increase the amount of your contributions making your retirement savings grow even faster. See the paragraph on *Employee Contributions*.

Army Benefits Center-Civilian (ABC-C):

At this time we wish to provide an introduction to the Department of the Army's centralized benefits processing and counseling service. The **Army Benefits Center-Civilian (ABC-C)**, located at Fort Riley, Kansas, offers 24/7 access to benefits information and the ability to make electronic benefits transactions via the Internet and telephone system. Additionally, counselor assistance is available by telephone from Monday-Friday, 6:00 a.m., to 6:00 p.m., Central Time (excluding Federal holidays).

Employees rarely have the need to submit hard-copy benefits election forms as most elections are made electronically via ABC-C. However, you will be able to submit an election to your Human Resources Office during this first pay period, up until the deadline date indicated by your Human Resources representative. This date is provided below in the paragraph heading *Instructions for Stopping Automatic Contributions, or Making Your Own Election(s)*. After this date, all TSP changes pertaining to the amount you wish to contribute, or starting/stopping contributions, will be made via the ABC-C's systems.

The ABC-C's systems, the Employee Benefits Information System (EBIS) (web) and the Interactive Voice Response System (IVRS) (telephone), allow you to make elections and changes regarding your TSP contributions and other benefits as well.

The ABC-C's web site is <https://www.abc.army.mil> and the toll-free number is 1-877-276-9287 (OCONUS and TDD numbers available on the web site). Your Human Resources representatives will provide you information about accessing EBIS and IVRS.

Stop Automatic Enrollment, if applicable

If you are subject to automatic enrollment, but do not wish to contribute to your TSP account, you can request to stop the process. However, it is possible that payroll may not be able to stop your first contribution to the TSP. If this happens you can make a request to the TSP to return your contribution. To request a refund of your contribution read the paragraph titled *Refund of Automatic Contributions*. Also, refer to the paragraph *Instructions for Stopping Automatic Contributions, or Making Your Own Election(s)* below.

Employee Contributions

You may elect to increase, decrease, or stop your contributions to your TSP account at any time. You may specify a whole percentage of basic pay that you want to contribute each pay period, or you may specify a whole dollar amount. Whether you specify a percentage or dollar amount of your pay, your total contributions for the year cannot exceed the IRS elective deferral limit for the year. The limit for 2010 is \$16,500. Your contribution election will remain in effect until you make another election to either change the amount of your contributions or stop them. If you reach the IRS limit before the end of the year, the TSP cannot accept additional contributions.

Catch-up Contributions

If you are age 49 and will turn age 50 by the end of this year, or if you are already age 50 or older, you may make an additional election to contribute catch-up contributions. This is a separate election that will request your agency to deduct additional tax-deferred TSP contributions from your pay. You must elect a whole dollar amount from your basic pay each pay date.

The maximum amount you may contribute in catch-up contributions in 2010 is \$5,500. This amount of tax-deferred contributions is in addition to the amount you may contribute through the regular TSP election discussed in the paragraph above. Your catch-up contribution election will remain in effect until you make another election to change the amount, stop your contributions, or until the last pay date of the calendar year. You must make a new election to contribute catch-up contributions each year.

Instructions for Stopping Automatic Contributions, or Making Your Own Election(s)

If you wish to stop the automatic enrollment process before any contributions are deducted from your pay, or wish to make your own contribution election (and catch-up election, if eligible) during your first pay cycle, you must submit your election form(s) to your Human Resources Office NLT the end of the first full pay period in which hired. If you do not turn the form in during this period you will need to make any changes via the ABC-C systems. For a contribution election, use form TSP-1 (Election Form); for TSP catch-up contributions, use form TSP-1-C (Catch-Up Contribution Election). TSP forms are available on-line at <https://www.tsp.gov/forms/civilianForms.shtml>.

If you wish to stop or change your TSP contributions, including catch-ups, after the deadline date specified above, you must do so using the ABC-C's web or phone system as explained in the ABC-C

paragraph above. You will not complete and submit TSP forms; the change will be processed by the information you enter into the ABC-C's systems (EBIS or IVRS). Generally, TSP changes become effective at the beginning of the next pay following the one in which you made your change.

If you are content at this time with the 3% automatic contribution, you do not have to take action until you are ready to increase, decrease, or stop your contributions.

Refund of Automatic Enrollment Contributions

You may request a refund of the employee contributions that were deducted from your pay during the first 90 days that you were automatically enrolled. To do so, you must send Form TSP-25, Request for an Automatic Enrollment Refund, which you will receive with your welcome letter from the TSP (if applicable, see next section), or you will be able to obtain this form from the TSP web site.

Your properly completed Form TSP-25 must be returned to the TSP using the address on the form and must be received by the TSP no later than the date provided in the TSP welcome letter. Do NOT return the form to Human Resources Office or the ABC-C. Make sure you read the directions on Form TSP-25 as well as the instructions in the TSP welcome letter (if applicable).

If you were previously employed by the Federal government and were automatically enrolled you are not eligible for a refund of the automatic enrollment contributions for subsequent periods, unless one full calendar year (January through December) has passed since your last automatic enrollment contribution (visit the TSP website for more details). The amount of your refund will be your automatically withheld employee contributions and any gains or losses from the performance of your investment(s). Also, requesting a refund of your automatic enrollment contributions will not stop future contributions from being deducted from your pay.

Requesting a refund of your automatic enrollment contributions will not stop future contributions from being deducted from your pay. Please refer to the paragraph above, Stopping Automatic Contributions, or Making Your Own Election(s).

Establishing Your TSP Account

Your TSP account will be established when the Department of the Army submits your first contributions. Once your account is established, the TSP will send three separate mailings to you: (1) a new account letter which includes your account number, (2) your password, and (3) your Personal Identification Number (PIN). Along with your new account letter, you will receive the TSP booklet *Managing Your Account*, which provides valuable information on TSP investment options, making a contribution allocation, requesting an interfund transfer, and how to designate beneficiaries.

If you already have an established TSP account from previous Federal government service, and you did not withdraw all of your money while you were separated, you will not receive any of the above mailings. If you withdrew your entire balance while separated, you will receive the welcome letter but not a new password or PIN, because your existing password and PIN are still valid. If you have or had a TSP uniformed service account, your Federal civilian account is a separate account and you will receive all of the above mailings.

Contribution Allocations

Your first contribution will be invested in the Government Securities Investment (G) Fund. If your account is not already established as explained above, you may invest your contributions in any of the ten TSP funds by requesting a contribution allocation. Otherwise, you will need to wait until after you receive your TSP welcome letter. You cannot request a contribution allocation until your TSP account

has been established. The information to request a contribution allocation will be provided with your TSP welcome letter. Or, if you have an existing TSP account balance from previous Federal civilian government service, your contributions will be invested using your last contribution allocation on file with the TSP.

Interfund Transfers

You can redistribute your TSP account balance among the ten TSP funds by requesting an interfund transfer. You may do so according to the same rules as explained above in the Contribution Allocations regarding the establishment of your account.

Election of Coverage Under the Federal Employees' Retirement System

If you had a break in service of more than 3 days, you might be eligible to elect coverage under FERS within 6-months of your eligible appointment or conversion. If so, and if you feel FERS would be more beneficial to you, a FERS election would include immediate agency contributions to your TSP account.

You would be eligible for Agency Automatic (1%) Contributions that equal 1% of the basic pay you earn each pay period. If contributing to the TSP, you would also receive Agency Matching Contributions to your TSP account. The first 3% of pay that you contribute each pay period will be matched dollar for dollar, and the next 2% that you contribute will be matched 50 cents on the dollar.

For more information about eligibility to elect FERS contact your Human Resources representative.

Additional Information

To obtain more information about the TSP, visit the TSP website at www.tsp.gov. If you have any questions about your TSP participation during the first pay period of your employment, contact your servicing CPAC at 526-8341. For questions thereafter, visit or call the ABC-C (contact information is in the ABC-C paragraph above). The TSP will be the point of contact for inquiries specifically related to a refund of automatic contributions (refer to the welcome letter, if applicable, or the TSP web site for further information).