

TSP CATCH-UP CONTRIBUTIONS

What are catch-up contributions? *Catch-up contributions are supplemental tax-deferred employee contributions, which are in addition to regular contributions. These supplemental contributions are above the maximum amount that could otherwise be contributed to TSP. However, the combination of regular and catch-up TSP contributions cannot exceed the total IRS contribution limit for the year.*

Who is eligible to make catch-up contributions? *To be eligible to make catch-up contributions a participant must be:*

- *Age 50 or older during the calendar year in which the catch-up contributions are made (even if the participant becomes age 50 on December 31 of that year).*
- *Currently employed and in a pay status.*
- *Contributing either the maximum TSP contribution percentage allowed by his or her retirement coverage or contributing an amount that will cause an employee to reach the Internal Revenue Service (IRS) elective deferral limit by the end of that year.*

A participant who is in a 6-month suspension period after making a financial hardship withdrawal is NOT eligible to make catch-up contributions during that time.

How do you make catch-up contributions? *Catch-up contributions can only be made through payroll deductions. To make catch-up contributions, you must submit Form “TSP-1-C, Catch-Up Contribution Election” or TSP-U-1-C for members of the Uniformed Services. This form may be obtained from the tsp.gov website. Indicate the dollar amount you would like to contribute, sign the form and send/deliver to the Human Resources Office.*

When can an employee make a catch-up contribution election? *An employee can make an election at any time. Unlike regular TSP Contributions, there is no Open Season associated with catch-up contributions. Your election becomes effective the first full pay period following the HRO’s receipt of the election form (TSP-1-C). Your contributions will continue until the end of the calendar year unless you reach the annual catch-up contribution limit before that time or you elect to stop making catch-up contributions.*

How much can an employee contribute? Catch-up contributions have an annual IRS limit, just as regular contributions have an annual IRS Elective deferral limit.

<u>Year</u>	<u>TSP Limit</u>		<u>IRS Limits</u>		<u>Total Contributions</u>
	<i>FERS</i>	<i>CSRS & Uniformed Svcs</i>	<i>Regular Contributions</i>	<i>Catch-up Contributions</i>	
2004	14%	9%	\$12,000	\$2,000	\$16,000
2005	15%	10%	\$14,000	\$4,000	\$18,000
2006& thereafter	Limits eliminated		\$15,000	\$5,000**	\$20,000

***For uniformed services participants, this includes incentive pay and special pay, including bonus pay.**

****After 2006, this amount will be subject to increases to reflect inflation.**

Catch-up contributions are applied to the year of the pay date for which they are made.

- 2004 AIR GUARD latest effective date 12 December 2004**
- 2004 ARMY GUARD latest effective date 28 November 2004**