

Subject: All CPF E-Mail - TSP Catch-Up Contributions

Sent: Monday, 2 June 2003

The purpose of this E-mail is to provide you with information on the Thrift Savings Plan (TSP) Catch-up Contributions. TSP Catch-up contributions are supplemental tax-deferred contributions available to TSP participants age 50 or older who are already making regular TSP contributions up to the maximum amount allowed by the Internal Revenue Service (IRS) and TSP plan rules. Catch-up contributions have their own annual limit separate from the IRS elective deferral limit for regular TSP contributions. The catch-up contribution limit for 2003 is \$2,000. Catch-up contribution elections are not tied to open seasons, and after the initial implementation, eligible employees can start, change, stop, or restart catch-up contributions at any time.

TSP has publicized employees will be able to make elections starting this July effective the first pay period in August. However, implementation of the catch-up contribution program is dependent upon payroll and personnel systems being adapted to process the elections. Within the Department of Defense (DoD), these systems are not expected to be ready until sometime in September 2003. We will not accept catch-up contribution elections from employees until these systems are ready. We will provide you with an update once a concrete implementation date is established.

Our web article on TSP Catch-up contributions is available on the BEST Homepage under Thrift Savings Plan.

Also, in the TSP Highlights provided to employees with their May 03 account statements, TSP indicated employees should contact their agency personnel offices for the catch-up contribution enrollment form. Many employees may not see the last two sentences in the paragraph which state some agencies may be using an electronic version of the form, and to check with the agency for guidance. Once the systems are ready to accept TSP Catch-Up Contributions, these elections will be processed thru the BEST automated web and phone systems.

If you have electronic capability, please forward this E-mail to all directorates/organizations at your base and ask that they forward it to all levels within their organization. As always, we appreciate your continued support.

**Chief, Special Operations Division
Air Force Personnel Center**