



DIRECTOR - CIVILIAN BENEFITS CENTER

Date: 3 September 2019

To: All Civilian Employees

Subj: Changes to Thrift Savings Plan (TSP) Withdrawal Options

Encl: (1) TSP Fact Sheet "Questions and Answers about Changes to TSP Withdrawal Options"

1. Effective 15 September 2019, new withdrawal options associated with the passage of the TSP Modernization Act, Public Law 115-84 and the Bipartisan Budget Act of 2018, will go into effect. You will continue to have the same withdrawal options as before; however, available to you will be additional options described in the attached TSP Fact Sheet. Also important to know, if you need to withdraw money before these changes take effect, TSP must receive your properly completed request by 11:59 p.m., Eastern Time on 6 September 2019. TSP will not accept withdrawal requests during the period 7 September to 14 September to prepare for the new withdrawal options. You may want to wait until 15 September or later to request a withdrawal so you can take advantage of more flexibility. In addition, TSP will have new efficient online tools to initiate your request. The enhanced online forms will be available on 15 September in the My Account section of tsp.gov.

2. Below is a summary of the new withdrawal options available to you after you separate from service:

- After you separate from service, you can choose to receive monthly, quarterly, and annual installment payments where previously monthly payments were the only option.
- You may take unlimited post-separation partial withdrawals.
- You may take partial withdrawals and installment payments simultaneously.
- You will have the option to choose the source of withdrawal payments, including traditional, TSP Roth, or both. This option will be available on all types of withdrawals.
- You will no longer have to take a full withdrawal once you turn age 70 ½ and were separated from service. You will still need to receive the Internal Revenue Service (IRS) required minimum distribution by taking a partial withdrawal or installment payments.

3. Below are new options before you separate from service:

- Instead of only one partial withdrawal in your lifetime, you will be able to take up to four age-based in-service withdrawals each year at age 59 ½ or older. With age-based withdrawals, there is no Internal Revenue Service 10% penalty tax; however, mandatory 20% withholding for federal tax does occur unless the funds

transfer directly to an Individual Retirement Account (IRA) or other eligible employer plan.

- There will no longer be a six-month waiting period to contribute to TSP if you take a hardship withdrawal. Although not addressed in the attached enclosure, it is part of the law that will go into effect on 15 September 2019.
- If you previously received a financial hardship in-service withdrawal and are suspended from contributing to TSP, you will be able to restart TSP contributions effective 15 September 2019, even though you may not have completed the six-month waiting period. Restarting the TSP contributions requires accessing the GRB Platform at <https://www.civilianbenefits.hroc.navy.mil/> or by calling the Benefits Line.
- You can make your election during the pay period from 1 September to 14 September 2019 for your election to be effective the beginning of the pay period, 15 September 2019.

5. If you have questions about TSP or accessing the GRB Platform, please call the Benefits Line at 888-320-2917 from 7:30 a.m. - 7:30 p.m., Eastern Time, Monday - Friday, except on Federal holidays. The TTY number is 866-359-5277. You may also email your questions to navybenefits@navy.mil. You must include your full name, pay plan, grade, and your contact telephone number. Please do not include Privacy Act or other Personally Identifiable Information such as date of birth or social security number in your email correspondence.

Thank you.

Mary E. Foley