

2021 TSP Contributions Update

What should I know for 2021?

Maximum contributions to the Thrift Savings Plan (TSP) in 2021 remain unchanged! The 2021 Internal Revenue Service (IRS) annual elective deferral limit, which applies to the combined total of traditional and Roth contributions, remains \$19,500.

How do I make a change?

To change your TSP contribution, To START, CHANGE or STOP Employee Contributions, please complete TSP-U-1 Election form: <https://www.tsp.gov/forms/tsp-u-1.pdf> **email the completed form to FSB via eCMCS**

Regular contributions to TSP and/or TSP ROTH are calculated based on the last TSP-U-1 that you submit. The contributions may include wages from Basic Pay, Incentive Pay, Bonus Pay and Special Pay. The contributions may be either to the TSP Traditional (pre-tax) or to ROTH (post-tax), but represent a combined total for the IRS limit.

The percentage you choose for each of the wage types, and the tax treatment of contribution remains active until you change it. Reaching your limit does not change your status to not active.

For additional information on the TSP Spillover of Catch-up Contributions
<https://www.tsp.gov/making-contributions/start-change-stop-contributions/> **email the completed form to FSB via eCMCS**

What if I do nothing?

If you are happy with your current TSP elections from 2020, no action is needed. Your election will carry over each year unless you submit a new one.

Can I elect TSP catch-up contributions?

In addition to regular TSP contributions, you may be eligible to enroll in TSP catch-up contributions up to an additional **\$6,500**. In 2021, the TSP will utilize the Spillover Method as both regular and catch-up contributions will process on the same payroll record. When the maximum limit of \$19,500 is reached, employees turning age 50 or older may continue to make contributions up to the \$6,500 catch-up limit. **Only employees turning age 50 or older may make contributions after meeting the annual contribution limit of \$19,500.**

How does spillover work?

The Federal Retirement Thrift Investment Board (FRTIB), which administers the Thrift Savings Plan (TSP), plans to switch to the "spillover" method for catch-up contributions beginning with the first pay period of 2021. **(Participants will continue using the TSP's current catch-up program through the final pay period of 2020.)** Spillover, which is used by many retirement plans and is available under current law, will apply to all active civilian and uniformed services members turning age 50 or older.

- Participants turning age 50 and older will no longer need to make a separate catch-up election. Once they reach the elective deferral limit (EDL), their regular contributions will **automatically** spill over toward the catch-up contribution limit.
- Payroll offices will no longer need to send catch-up contributions on separate payroll records. For participants turning 50 or older, contributions toward the EDL and the catch-up limit will use the same record. This will not pose any issues for tax reporting as the two are already combined on participant W-2s.
- For eligible members of the Federal Employees Retirement System (FERS) and the Blended Retirement System (BRS), contributions “spilling over” toward the catch-up limit will be matched up to the 5% of basic pay to which participants are currently entitled. In other words, spillover will help prevent people from missing out on what they’re already eligible to receive.

How do I submit TSP forms to CCHQ through eCMCS

eCMCS can be accessed from the CCMIS Officer Secure Area:

https://dcp.psc.gov/OSA/OSA_security_statement.aspx

Sending a Secure Message:

1. In eCMCS, under the drop down menu of the “Message Center” Menu Bar (blue bar at top) Access Secure Message.
2. Once the “Secure Message” screen is open, click “Search” next to “To:” to select recipient(s) of secure message. FSB: Description/Name: **CCHQ FINANCIAL SERVICES MAILBOX** Type: **MAILBOXES (Not MEMBER)**
3. Click the “Add Selected” button.
5. Add attachments if any.
6. Click Send Secure Message button.

If you have questions or need assistance, please contact CCHQ Financial Services Branch at
PHSCompensation@hhs.gov.

TSP Website

Reference: <https://www.tsp.gov/PlanParticipation/EligibilityAndContributions/contributionLimits.html>

How Much Can I Contribute?

Calculator: <https://www.tsp.gov/PlanningTools/Calculators/electiveContributions.html>