

2026 Thrift Savings Plan Update

What should you know for 2026?

Maximum contributions to the Thrift Savings Plan (TSP) in 2026 have changed! The 2026 Internal Revenue Service (IRS) annual elective deferral limit, which applies to the combined total of traditional and Roth contributions has increased to \$24,500.

Beginning January 1, 2026, Section 603 of the Setting Every Community Up for Retirement Enhancement (SECURE) 2.0 Act requires TSP catch-up contributions to be made as Roth (after-tax) contributions for participants aged 50 or older who earned more than \$150,000 in Federal Income Contribution Act (FICA) wages from their employer in the previous year.

What are the 2026 Age-Based catch-up TSP contributions limits for Public Health Service Officers age 50 and older?

Public Health Service Officers who contribute in excess of \$24,500 to their Traditional TSP are automatically directed into their Roth TSP through the PHSPay system.

Employee Age	Annual catch-up Contribution limit	Contribution type for prior year FICA wages greater than \$150,000	Contribution type for prior year FICA wages less than \$150,000
50-59	\$7,500	Roth Contribution	Traditional (pretax) and/or Roth (after-tax) contributions
60-63	\$11,250 for 2026	Roth Contribution	Traditional (pretax) and/or Roth (after-tax) contributions
64 or older	\$7,500	Roth Contribution	Traditional (pretax) and/or Roth (after-tax) contributions

Table 1 2026 Age-Based catch-up TSP Contributions limits for Public Health Service Officers age 50 and older

What is included FICA Wages?

For FICA purposes, **only Basic Pay** (as defined under 37 U.S.C. Chapter 3 and § 1009) is treated as “wages”. All other compensation –special pays, bonuses, incentive pays, allowances, and in-kind benefits—is **excluded from FICA calculations**.

How Do I update my TSP Contributions?

Initial enrollment in either Traditional (pre-tax) and/or Roth (after-tax) contributions is done by completing a TSP-U-1 Form (<https://www.tsp.gov/publications/tsp-u-1.pdf>) and submitting the completed TSP-U-1 Form to the PHSCCHQCompensation@hhs.gov mailbox for Financial Services Branch to process.

Public Health Service Officers can make TSP contribution changes in PHSPay (<https://phs.lyceum.com/Login.aspx/>).

To make changes to the TSP percentages, follow the steps outlined below:

1. Click on “TSP Contributions” on the left-hand menu

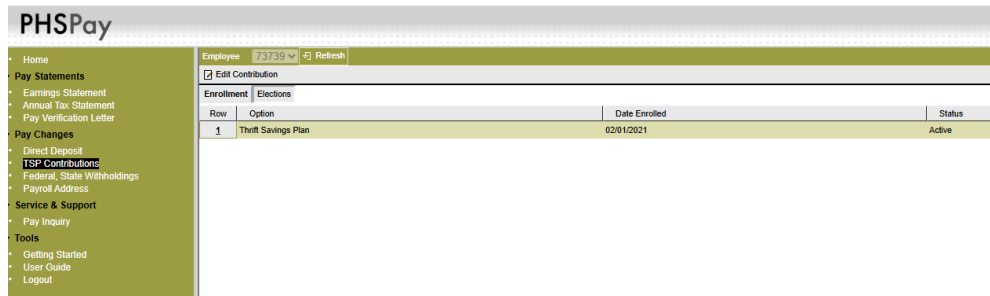


Figure 1 Area in PHSPay to click on the left-hand menu to edit TSP contributions.

2. Click on “Edit Contribution” on the top of the page.
3. Make edits by entering the whole number percentages for Base Pay and/or Special Pays for Traditional (pre-tax) and/or Roth (after-tax).

Is Employer Contribution turned ON (Y/N)?	<input type="text" value="No"/>
TSP Roth - Base Pay %	<input type="text" value="##0.0"/>
TSP Roth - Incentive Pay %	<input type="text" value="##0.0"/>
TSP Roth - Special Pay %	<input type="text" value="##0.0"/>
TSP Roth - Bonus Pay %	<input type="text" value="##0.0"/>
Prior TSP Roth \$	<input type="text" value="#####0.00"/>
TSP - Base Pay %	<input type="text" value="15.0"/> ##0.0
BRS Type	<input type="text"/>
TSP - Incentive Pay %	<input type="text" value="##0.0"/>
TSP - Special Pay %	<input type="text" value="##0.0"/>
TSP - Bonus Pay %	<input type="text" value="##0.0"/>
Prior TSP \$	<input type="text" value="#####0.00"/>

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Figure 2 TSP contribution percentage input screen.

4. Click on “Continue” to process the TSP contribution change.