



CCI 662.01
EFFECTIVE DATE: 3 April 2018

By Order of the Acting Assistant Secretary for Health:

ADM Brett Giroir, M.D.

SUBJECT: Thrift Savings Plan (TSP) Eligibility

1. PURPOSE: This Instruction explains how to enroll, participate, and contribute to the TSP and how contributions are to be accrued and calculated for officers of the Commissioned Corps of the U.S. Public Health Service (Corps).
2. APPLICABILITY: This Instruction applies to all active duty Corps officers.
3. AUTHORITY:
 - 3-1. [5 U.S.C. §8440e](#), "Members of the uniformed services"
 - 3-2. [P.L. 114-92](#), "National Defense Authorization Act for Fiscal Year 2016," as modified by [P.L. 114-328](#), "National Defense Authorization Act for Fiscal Year 2017"
 - 3-3. [5 U.S.C. §8432](#), "Contributions"
 - 3-4. [37 U.S.C. §211](#), "Participation in Thrift Savings Plan"
4. PROPONENT: The proponent of this Instruction is the Assistant Secretary for Health (ASH). The responsibility for assuring the day-to-day management of the Corps is the Surgeon General (SG).
5. SUMMARY OF REVISIONS AND UPDATES: This is the first issuance of this Instruction within the electronic Commissioned Corps Issuance System (eCCIS).

6. POLICY:

- 6-1. General Policy. Officers that are participating in TSP under the Legacy Retirement Systems or Blended Retirement System (BRS) are governed by the laws applicable to TSP, the Internal Revenue Code, and regulations as set forth by the Federal Retirement Thrift Investment Board (FRTIB) and the Internal Revenue Service (IRS).
- a. TSP Participation. All uniformed service members have the ability to contribute a portion of their pay to TSP. An officer is eligible to contribute to TSP regardless of the retirement plan under which s/he is covered.
- (1) Officers can contribute a percentage of their pay each month (pre-tax or tax-deferred) to their TSP account. This amount is deducted from the officer's monthly pay after submission of a TSP election form to the Division of Commissioned Corps Personnel and Readiness (DCCPR). Contributions are only authorized from pays such as basic pay, incentive pay, special pay, and bonus pay. However, an officer must elect to contribute from basic pay to be eligible to contribute from incentive pay, special pay, or bonus pay.
 - (2) Officers cannot contribute the following to the TSP: allowances (Basic Allowance for Housing (BAH), Basic Allowance for Subsistence, etc.), cash awards, Lump Sum Leave sell-back, or Separation Pay.
- b. Prior Participation in TSP.
- (1) An officer who opts-in to BRS and was previously participating in TSP, will be able to maintain his/her account in TSP.
 - (2) Officers who previously participated in TSP through prior service including civil service or who have individual retirement accounts may refer to TSP for information on how to roll-over his/her account. (See www.tsp.gov for more information).
- c. Establishing a TSP Account. Under guidance provided by TSP, the Corps will submit information to establish an officer's TSP account, if one does not already exist, for:
- (1) Any officers who submit an election form to contribute a percentage of pay to TSP; and
 - (2) All officers who are covered in BRS by virtue of their Date of Initial Entry into Military/Uniformed Service (DIEMS) being on or after 1 January 2018 and all officers who opt-in to the BRS.
- d. Elections to contribute become effective when the following has been completed (see Section 6-3.a. for policy regarding BRS automatic individual contributions):
- (1) If an election is received on or before the 10th of a month, the deduction is normally effective that month. Notification on the monthly earnings statement is confirmation that the TSP deduction has been started.
 - (2) After the first TSP deduction has been made, information from the TSP Board is sent to the officer on how to access and manage the TSP account.

- e. Vesting of Individual Contributions. Under TSP guidance, an officer's individual contributions are immediately vested upon payment to TSP regardless of which retirement system the officer is under. Subsequent earnings on those contributions are also immediately vested when the earnings accrue.
 - f. Tax Treatment of Contributions. There are two different types of tax treatments for contributions that an officer can make into TSP; traditional or Roth. Please see www.tsp.gov for further information on the types of contributions and tax treatments.
 - g. Types of Contributions. To find out more about the types of contributions please see www.tsp.gov.
 - (1) Regular. Normal traditional or Roth contributions for the current tax year.
 - (2) Catch-Up. Only for individuals that are 50 and older. This allows uniformed service members to make additional payments up to the IRS limits each year. For yearly catch-up limits, please refer to the IRS or tsp.gov.
 - (3) Service contributions. Contributions by the Service on behalf of the officer. These contributions are placed directly into the TSP account and reflect on the officer's statement.
 - (4) Combat Zone Contributions. Only applies to an officer on legal orders assigning him/her to the Department of Defense (DoD) in a combat zone. (Please refer to Compensation, DCCPR, for specific questions regarding this type of contribution).
 - h. Default Type of Individual Contribution. An officer's contributions to TSP by default are treated as "traditional" tax-deferred contributions, not as Roth after-tax contributions. An officer may elect to designate all or part of his/her individual contributions as Roth. The Service contributions are always tax-deferred "traditional" contributions.
 - i. Yearly Limits of Contributions. The TSP publishes the yearly elective deferral limit which is the maximum amount of contributions that a uniformed service member can contribute in a calendar year. Please refer to www.tsp.gov for current limits. The limit is calculated each year by the IRS. The elective deferral limit only applies to the officer's contribution made to traditional and Roth retirement accounts and does not apply to the Service contributions.
- 6-2. Legacy Retirement Systems.
- a. An officer under the Legacy Retirement Systems can contribute a portion of his/her pay to the TSP account each month.
 - b. TSP contributions under the Legacy Retirement Systems are not matched by the agency. The agency does not automatically contribute one (1) percent of an officer's base pay into TSP.
 - c. Officers who opt-in to BRS are covered under the provisions of Section 6-3.

6-3. Blended Retirement System.

a. Automatic Individual Contributions.

- (1) Automatic contributions will be deducted from an officer's monthly basic pay. For officers that opt-in to BRS the contribution is effective immediately. For officers with a DIEMS on or after 1 January 2018 this amount will be contributed to the TSP account during the first pay period after the officer's 60th day of service as calculated from the officer's BRS Date.

Note: The automatic contributions is mandated by [5 U.S.C. §8440e](#) and applicable provisions of [5 U.S.C. §8432](#). This amount may change through subsequent legislation.

- (2) If an officer declines the automatic contribution and that officer's contribution from his/her pay in the final full pay period of the year is zero (0) percent, that officer's individual contribution will be restarted the following calendar year at the percent of the officer's basic pay, in accordance with 5 U.S.C. §8440e and applicable provisions of 5 U.S.C. §8432. The automatic contribution will be deducted in the first full pay period of that year.

Note: This provision does not apply if the officer otherwise remains covered to contribute from his/her pay at a percentage other than zero, but stopped contributing during the previous year because the officer reached the maximum annual contribution threshold allowed under IRS regulations.

- (3) An officer who declines the automatic deduction (see note in Section 6-3(a)(1)) is one who:
 - (a) Is subject to the automatic contribution deduction;
 - (b) Stops automatic contributions by electing to contribute zero (0) percent; and,
 - (c) Remains at the zero (0) percent individual contribution rate for the remainder of the calendar year.
- (4) An officer may decline the annual automatic contribution for the following year no earlier than 1 December of the calendar year in which he/she is determined to be subject to restarting the automatic contribution.
- (5) An officer's automatic individual contribution to TSP is treated, by default, as a "traditional" tax-deferred contribution, not a Roth contribution, unless the officer elects to designate all or part of his/her individual contribution as a Roth contribution.

b. BRS Service Contributions for Officers Whose DIEMS is On or After 1 January 2018. Automatic contributions to an officer's TSP account will begin on the officers 60th day of service as calculated from his/her BRS date.

- (1) The pay period that follows an officer's 60th day of service, as calculated from his/her BRS Date, will begin the automatic contribution to the officer's

TSP account. The amount will be one (1) percent of the officer's basic pay. This will come at no cost to the officer.

Note: The automatic contributions is mandated by 5 U.S.C. §8440e and applicable provisions of 5 U.S.C. §8432. This amount may change through subsequent legislation.

- (2) The one (1) percent automatic contribution will continue for each pay period in which an officer receives basic pay until the officer has completed 26 years of service, as calculated from his/her BRS Date.
 - (3) The Service will begin matching an officer's individual contributions after the officer completes 24 months of service, as calculated from his/her BRS date. The matching amount will be in accordance with Appendix B.
 - (4) After an officer has completed 26 years of service, as calculated from his/her BRS Date, no further matching contributions will be made to the TSP account. The officer may continue his/her individual contributions.
- c. BRS Service Contributions for Officers Whose DIEMS is Before 1 January 2018.
- (1) After an officer opts-in to the BRS, the Service will automatically contribute one (1) percent of the basic officers' pay to his/her TSP account. This contribution will be of no cost to the officer.
 - (2) The one (1) percent automatic contribution by the Service will continue each pay period the officer receives basic pay until the officer completes 26 years of service, as calculated from his/her BRS date.
 - (3) Upon opting-in to the BRS, the Service will immediately begin matching the officer's individual contribution in accordance with Appendix B.
 - (4) No matching contribution will be made after the officer completes 26 years of service, as calculated from his/her BRS Date.
- d. Vesting of Service Contributions Under BRS.
- (1) The Service's one (1) percent automatic contributions become fully-vested on the first day of the 25th month of service, as calculated from the officer's BRS Date, in accordance with [5 U.S.C. §8432\(g\)\(2\)\(C\)](#). Officers who separate before this date will forfeit the Service's one (1) percent automatic contributions and any earnings on those contributions.
 - (2) In accordance with [5 U.S.C. §8432\(g\)\(1\)](#), the Service matching contribution for officers who opt-in to the BRS is fully-vested when added to the officer's TSP account. In addition, any earnings on the Service contributions are immediately vested when they accrue.
- e. Breaks in Service.
- (1) An officer covered under the BRS who separates from a component of the Uniformed Services, as defined by [37 U.S.C. §211](#), and later joins any component of a Uniformed Service, will automatically be restarted at three (3) percent individual contribution rate of basic pay to his/her TSP.

- (2) An officer covered under BRS who re-enters service after a break in service and who previously qualified for the Service one (1) percent automatic contribution will resume receiving the Service one (1) percent automatic contribution into his/her TSP account no later than the first pay period after re-entry.
- (3) An officer covered under BRS who re-enters service after a break in service and who previously qualified for Service matching contributions will resume receiving Service matching contributions into his/her TSP account concurrent with the officer's contributions.

6-4. Modification of Contributions to TSP.

- a. An officer may change the percentage/amount of his/her individual contributions that are placed into TSP at any time by completing an Election Form (TSP-U-1) and sending the original to Compensation at DCCPR. Please remember to keep a copy for personal records. If an officer stops contributing from basic pay (electing zero (0) percent), the officers' contribution from all other sources of pay will also be stopped. However, an officer can stop contributing from incentive pays, special pays, or bonus pays, and continue to contribute from basic pay. Under BRS, if an officer changes the contribution amount to zero (0) percent, the amount will automatically change to automatic contribution percent during the following calendar year (see Section 6-3.a.).
- b. If an officer stops his/her individual contributions from basic pay, incentive pay, special pay, or bonus pay, the officer may elect to resume contributions from these types of pay at any time. However, an officer must elect to contribute from basic pay to be eligible to contribute from incentive pays, special pays, or bonus pay.
- c. An officer automatically covered under BRS may adjust the individual contribution amount, including the automatic individual contribution, at any time before or after the initial deduction.

7. RESPONSIBILITIES:

- 7-1. The Surgeon General is responsible for assuring the day-to-day management of the Corps.
- 7-2. The Director, DCCPR is responsible for the management and guidance of the policy for TSP.
- 7-3. All officers are responsible for adhering to the guidelines and procedures listed in this Instruction.

8. HISTORY: This is the first issuance of this Instruction within the electronic Commissioned Corps Issuance System.

Appendix A

Definitions

- a. **Blended Retirement System (BRS) Date.** Date that reflects an officer's active and inactive service in any of the Uniformed Services.
- (1) Service creditable towards establishing the BRS Date includes the following:
- (a) All active and inactive service in the Corps;
 - (b) All active and inactive service in any of the Uniformed Services; and
 - (c) Federally recognized National Guard service.
- (2) Service not creditable towards establishing the BRS Date includes the following:
- (a) Civil Service;
 - (b) Junior and Senior ROTC;
 - (c) Cadet/midshipmen at one of the Military Service Academies and as a medical student at the Uniformed Services University of the Health Sciences (USUHS);
 - (d) Delayed entry program prior to entry into active or inactive duty status;
 - (e) Merchant Marines;
 - (f) National Health Service Corps (NHSC) Scholarships and NHSC Private Practice Assignments; and
 - (g) Constructive service credit towards the Base Pay Entry Date.
- b. **Date of Initial Entry into Military/Uniformed Service (DIEMS).** Date an individual was initially enlisted, inducted, or appointed in a regular or reserve component of any of the Uniformed Services as a commissioned officer, warrant officer, or enlisted member. Breaks in service do not affect a DIEMS.
- (1) The following dates are creditable towards establishing DIEMS:
- (a) Date of initial appointment to active or inactive duty in the Corps;
 - (b) Date of initial appointment to a Federally recognized National Guard service;
 - (c) Date of entry into one of the Military Service Academies;
 - (d) Date of the scholarship contract for ROTC cadets/midshipmen; and
 - (e) Date an enlistment contract is signed for the delayed entry program, regardless of when the individual actually enters active duty.
- (2) The following dates are not creditable towards establishing DIEMS:
- (a) Date of an application to the Corps and date an appointment order was issued;
 - (b) Date of appointment to the Civil Service;

- (c) Date of entry into Junior ROTC;
 - (d) Date of a NHSC Scholarship and date appointed to a NHSC Private Practice Assignment; and
 - (e) Date appointed to the Merchant Marines.
- c. Election. Term used to discuss a selection of a financial account or contribution amount.
- d. Internal Revenue Code (IRC). Sets the contribution limits for retirement programs (e.g., TSP, 401k, etc.).
- e. Uniformed Services Retirement Plans. Those retirement plans in effect prior to implementation of the BRS, including the “Final Pay,” “High-3” (also known as the “High-36”), and Career Status Bonus (CSB)/REDUX systems.
- f. Roth Contributions. Roth contributions are taken out of pay after-tax and are tax-free when withdrawn. Earnings on this type of contributions are paid tax-free when they are withdrawn if IRS rules are met.
- g. The Uniformed Services. The Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service. ([37 U.S.C. §101](#))
- h. Thrift Savings Plan (TSP). TSP is the federal government’s plan that is similar to a 401k. Uniformed service members can contribute a portion of their pay to their TSP accounts. TSP is available for all uniformed service members regardless of their DIEMS (www.tsp.gov).
- i. Traditional Contributions. Traditional contributions are taken out of pay before tax, and investment earnings are tax-deferred.
- j. Vesting. Process by which an individual accrues non-forfeitable rights over employer-provided incentives or employer contributions made to the individual’s qualified retirement account.

Appendix B

TSP Automatic and Matching Contributions for the Blended Retirement System

Individual Contribution Rate of Basic Pay	Government Automatic Contribution Rate of Basic Pay	Government Matching Contribution Rate of Basic Pay	Total Rate of TSP Monthly Contribution of Basic Pay
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%

Amounts may change in accordance with 5 U.S.C. § 8440e and applicable provisions of 5 U.S.C. § 8432.