



National Finance Center Customer Notification

Introduction of the Thrift Savings Plan's Spillover Method for Catch-Up Contributions

July 29, 2020

Reference Number: NFC-1595885449

Dear Customer:

The Federal Retirement Thrift Investment Board (FRTIB), the Agency that administers the Thrift Savings Plan (TSP), will switch to the spillover method for catch-up contributions beginning with the first pay period of tax year 2021 (for the National Finance Center's (NFC) purposes, this will be effective Pay Period 26, 2020).

The spillover method will streamline the catch-up contribution process for eligible participants. The TSP's current catch-up contribution program requires participants to make an affirmative catch-up election each year, certify that they will meet the annual Internal Revenue Code (IRC) 402(g) elective deferral limit (EDL), and spend considerable effort figuring out how to time their contributions. Spillover will dramatically simplify the process.

With this change, participants turning 50 or older will no longer need to make a separate catch-up election. Once participants reach the EDL, their regular contributions will **automatically** start counting toward the IRC 414(v) catch-up contribution limit. The TSP will **discontinue** Forms TSP-1-C and TSP-U-1-C (*Catch-Up Contribution Election*). Contributions toward the EDL and the catch-up limit will utilize the TSP-1.

Note: This will not cause any changes for tax reporting, as all TSP contributions are combined on the participant's W-2. [Please refer to TSP Bulletin 19-5 for additional information.](#)

NFC is implementing this change as outlined below:

- **EPIC** will be modified to remove the Document Type 126 TSP Catch-Up.
- **EPP** will be modified to remove the Self-Service selection from the TSP Catch-Up screen.
- **EmpowHR** will be modified to remove the TSP Catch-up and TSP Roth Catch-up screen.

Authorized Agency representatives with questions concerning this notification should contact the National Contact Center at (855) 632-4468 or submit a request in the ServiceNow Customer Service Portal using the following links:

- Federated ServiceNow users: <https://nfcerp.servicenowservices.com/>
- Non-Federated ServiceNow users: https://nfcerp.servicenowservices.com/sp_ess/