

FOR IMMEDIATE RELEASE  
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### THRIFT SAVINGS PLAN (TSP) ELECTIONS

This communication serves as a reminder that Section 402 of the Internal Revenue Tax Code limits the amount of income that you may elect to defer under all cash or deferred arrangements during a tax year. The total amount of employee contributions to the Thrift Savings Plan (TSP) for 2008 cannot exceed the elective deferral limit of \$15,500. When the elective deferral limit is reached, your employee contributions must be suspended for the remainder of the year. The TSP will not accept any contributions that exceed this limit unless you are over age 50, in which case your contributions cannot exceed the sum of the Internal Revenue Code elective deferral limit plus the "catch-up" contribution limit for that year. The catch-up contribution limit for 2008 is \$5,000.

Employees wanting to ensure their TSP elections reach the maximum contributions for 2008 are reminded there are only a few pay periods left for calendar year 2008 in which you can make TSP contributions and they will be credited to the 2008 tax year. TSP contributions are credited to the tax year in which TSP receives the contribution; therefore any contributions received by the TSP in 2009; even if the pay period ended in December 2008, will be credited toward the 2009 tax year.

Employees should monitor their Leave and Earnings Statement to ensure the proper deductions are being withheld and to ascertain whether or not you will reach the maximum elective deferral limit within the timeframe that you wish to do so.

Following is a chart of the pay periods left for calendar year 2008. The chart is based on a 26 pay-period pay schedule.

**2008 Remaining Pay Periods Chart**

<b>Contribution Election Submitted (on or between these dates)</b>	<b>Effective Date of Election</b>	<b>Pay Date First Deduction Occurs</b>	<b>Tax Year Credited</b>
12 Oct 08 – 25 Oct 08	26-Oct-08	14-Nov-08	2008
26 Oct 08 – 8 Nov 08	9-Nov-08	28-Nov-08	2008
9 Nov 08 – 22 Nov 08	23-Nov-08	12-Dec-08	2008
23 Nov 08 – 6 Dec 08	7-Dec-08	26-Dec-08	2008
7 Dec 08 – 20 Dec 08	21-Dec-08	9-Jan-09	2009

**The Internal Revenue Service (IRS) has released the elective deferral limits for 2009. The annual maximum contribution to a regular TSP account is \$16,500, a \$1,000 increase from 2008 and the limit on Catch-up Contributions for 2009 is \$5,500; increased by \$500.**

To be eligible to make catch-up contributions, you must be:

- age 50 or older during the calendar year in which the catch-up contributions are made (even if you become age 50 on December 31 of that year);
- currently employed and in pay status; and
- making regular contributions to a civilian or uniformed services TSP account (or both), and/or an equivalent employer plan (such as a 401(k), 403(b), or 408 plan), that will equal the maximum allowed by the Internal Revenue Service (IRS), which is \$15,500 in 2008.

Catch-up contributions are separate from regular TSP contributions; therefore, employees must submit a separate enrollment for catch-up contributions. The automated system will check that you are age 50 or older in the year the deductions begin; and that you are covered under the Federal Employees Retirement System (FERS) or the Civil Service Retirement System (CSRS). However, it is the responsibility of each employee to self-certify they are contributing the maximum employee contribution to a regular TSP or an amount that will result in reaching the Internal Revenue Service (IRS) annual elective deferral limit by the end of the year. Employees who falsely certify they meet this requirement are subject to any penalties imposed by the IRS at the end of the year.

Deductions for catch-up contributions automatically stop once you reach the maximum amount, or as of the last pay date of the calendar year, whichever comes first. Employees must make a positive election each year for TSP Catch-Up Contributions if they wish to participate.

Catch-up contributions stop while you are in a non-pay status and resume upon return to pay status. Generally, you cannot make-up catch-up contributions missed while in a non-pay status, but you can submit a change increasing the amount withheld each pay period and thus contribute the maximum catch-up amount allowed by law for that year.

Catch-up contributions are not eligible for agency matching contributions, regardless of your retirement system.

TSP elections can be made at any time with no percentage or dollar limits on employee contributions. The only limits are those imposed by the Internal Revenue Code for elective deferral limits. Employees should access EBIS at <https://hq-w3.dodea.edu/> to make their elections. To determine the maximum amount you should contribute each pay period use the online calculator available on the TSP website <http://www.tsp.gov/calc/contributions/index.html>.

Employees may elect TSP contributions for **calendar year 2009** through the Employee Benefits Information System (EBIS) **beginning December 7, 2008**.

**Please note:** If a percentage is designated and the amount exceeds the remaining salary after mandatory and other voluntary deductions that must occur before TSP contributions, then the resulting pay will be the amount contributed to the TSP account. If a whole dollar amount is designated and it exceeds the remaining salary, then **no** TSP contributions will be made for that pay period, and if you are covered under FERS you will not receive Agency Matching Contributions. If this happens, you will need to submit a new TSP contribution election for a lower dollar amount or a percentage. No TSP contributions will be withheld from your pay until your new election is effective.

If you need further assistance with making your election through EBIS, please contact your local HR Representative, email the Benefits Unit at [Benefits@hq.dodea.edu](mailto:Benefits@hq.dodea.edu) or call the Benefits Unit directly at 703-588-3981 or DSN 425-3981.

For additional information on the Thrift Savings Plan visit the TSP website at [www.tsp.gov](http://www.tsp.gov).