

**Nondeductible IRAs**

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to Form 1040, Form 1040A, or Form 1040NR.

Name. If married, file a separate form for each spouse required to file Form 8606. See page 5 of the instructions.

Your social security number

**Fill in Your Address Only  
If You Are Filing This  
Form by Itself and Not  
With Your Tax Return**

Home address (number and street, or P.O. box if mail is not delivered to your home)

Apt. no.

City, town or post office, state, and ZIP code

**Part I Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, SEP, and SIMPLE IRAs**

Complete this part only if one or more of the following apply.

- You made nondeductible contributions to a traditional IRA for 2009.
- You took distributions from a traditional, SEP, or SIMPLE IRA in 2009 **and** you made nondeductible contributions to a traditional IRA in 2009 or an earlier year. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster recovery assistance distribution), qualified charitable distribution, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted part, but not all, of your traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2009 (excluding any portion you recharacterized) **and** you made nondeductible contributions to a traditional IRA in 2009 or an earlier year.

1	Enter your nondeductible contributions to traditional IRAs for 2009, including those made for 2009 from January 1, 2010, through April 15, 2010 (see page 5 of the instructions)				1
2	Enter your total basis in traditional IRAs (see page 5 of the instructions)				2
3	Add lines 1 and 2				3
<p><b>In 2009, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?</b></p> <p><b>No</b> → Enter the amount from line 3 on line 14. Do not complete the rest of Part I.</p> <p><b>Yes</b> → Go to line 4.</p>					
4	Enter those contributions included on line 1 that were made from January 1, 2010, through April 15, 2010				4
5	Subtract line 4 from line 3				5
6	Enter the value of <b>all</b> your traditional, SEP, and SIMPLE IRAs as of December 31, 2009, plus any outstanding rollovers. Subtract any repayments of qualified disaster recovery assistance distributions. If the result is zero or less, enter -0- (see page 6 of the instructions)	6			
7	Enter your distributions from traditional, SEP, and SIMPLE IRAs in 2009. <b>Do not</b> include rollovers (other than repayments of qualified disaster recovery assistance distributions), qualified charitable distributions, a one-time distribution to fund an HSA, conversions to a Roth IRA, certain returned contributions, or recharacterizations of traditional IRA contributions (see page 6 of the instructions)	7			
8	Enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2009. <b>Do not</b> include amounts converted that you later recharacterized (see page 6 of the instructions). Also enter this amount on line 16	8			
9	Add lines 6, 7, and 8	9			
10	Divide line 5 by line 9. Enter the result as a decimal rounded to at least 3 places. If the result is 1.000 or more, enter "1.000"	10	×		
11	Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth IRAs. Also enter this amount on line 17	11			
12	Multiply line 7 by line 10. This is the nontaxable portion of your distributions that you did not convert to a Roth IRA	12			
13	Add lines 11 and 12. This is the nontaxable portion of all your distributions	13			
14	Subtract line 13 from line 3. This is <b>your total basis in traditional IRAs for 2009 and earlier years</b>	14			
15a	Subtract line 12 from line 7	15a			
b	Amount on line 15a attributable to qualified disaster recovery assistance distributions (see page 6 of the instructions). Also enter this amount on Form 8930, line 22	15b			
c	<b>Taxable amount.</b> Subtract line 15b from line 15a. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b	15c			

**Note:** You may be subject to an additional 10% tax on the amount on line 15c if you were under age 59½ at the time of the distribution (see page 7 of the instructions).

**IRA!**

**Part II 2009 Conversions From Traditional, SEP, or SIMPLE IRAs to Roth IRAs**

Complete this part if you converted part or all of your traditional, SEP, and SIMPLE IRAs to a Roth IRA in 2009 (excluding any portion you recharacterized).

**Caution:** If your modified adjusted gross income is over \$100,000 or you are married filing separately and you lived with your spouse at any time in 2009, you **cannot** convert any amount from traditional, SEP, or SIMPLE IRAs to Roth IRAs for 2009. If you erroneously made a conversion, you must recharacterize (correct) it (see page 7 of the instructions).

<b>16</b>	If you completed Part I, enter the amount from line 8. Otherwise, enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2009. <b>Do not</b> include amounts you later recharacterized back to traditional, SEP, or SIMPLE IRAs in 2009 or 2010 (see page 7 of the instructions) . . . . .	<b>16</b>		
<b>17</b>	If you completed Part I, enter the amount from line 11. Otherwise, enter your basis in the amount on line 16 (see page 7 of the instructions) . . . . .	<b>17</b>		
<b>18</b>	<b>Taxable amount.</b> Subtract line 17 from line 16. Also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b . . . . .	<b>18</b>		

**Part III Distributions From Roth IRAs**

Complete this part only if you took a distribution from a Roth IRA in 2009. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster recovery assistance distribution), qualified charitable distribution, one-time distribution to fund an HSA, recharacterization, or return of certain contributions (see page 7 of the instructions).

<b>19</b>	Enter your total nonqualified distributions from Roth IRAs in 2009 including any qualified first-time homebuyer distributions (see page 7 of the instructions) . . . . .	<b>19</b>		
<b>20</b>	Qualified first-time homebuyer expenses (see page 7 of the instructions). <b>Do not</b> enter more than \$10,000 . . . . .	<b>20</b>		
<b>21</b>	Subtract line 20 from line 19. If zero or less, enter -0- and skip lines 22 through 25 . . . . .	<b>21</b>		
<b>22</b>	Enter your basis in Roth IRA contributions (see page 7 of the instructions) . . . . .	<b>22</b>		
<b>23</b>	Subtract line 22 from line 21. If zero or less, enter -0- and skip lines 24 and 25. If more than zero, you may be subject to an additional tax (see page 7 of the instructions) . . . . .	<b>23</b>		
<b>24</b>	Enter your basis in conversions from traditional, SEP, and SIMPLE IRAs and rollovers from qualified retirement plans to a Roth IRA (see page 7 of the instructions) . . . . .	<b>24</b>		
<b>25a</b>	Subtract line 24 from line 23. If zero or less, enter -0- and skip lines 25b and 25c . . . . .	<b>25a</b>		
<b>b</b>	Amount on line 25a attributable to qualified disaster recovery assistance distributions (see page 7 of the instructions). Also enter this amount on Form 8930, line 23 . . . . .	<b>25b</b>		
<b>c</b>	<b>Taxable amount.</b> Subtract line 25b from line 25a. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b . . . . .	<b>25c</b>		

**Sign Here Only If You Are Filing This Form by Itself and Not With Your Tax Return**

Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

\_\_\_\_\_  
Your signature

\_\_\_\_\_  
Date

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	

IRA.<sup>2</sup>

## Instructions for Form 8606

### Nondeductible IRAs

Section references are to the Internal Revenue Code unless otherwise noted.

### General Instructions

#### What's New for 2009

**Modified AGI limit for Roth IRA contributions increased.** You can contribute to a Roth IRA for 2009 only if your 2009 modified adjusted gross income (AGI) for Roth IRA purposes is less than:

- \$176,000 if married filing jointly or qualifying widow(er),
- \$120,000 if single, head of household, or married filing separately and you did not live with your spouse at any time in 2009, or
- \$10,000 if married filing separately and you lived with your spouse at any time in 2009.

See *Roth IRAs* on page 2.

**Required minimum distributions for 2009.** For 2009, you are not required to take a minimum distribution from your IRA. For more information, see Pub. 590.

#### What's New for 2010

**New rules for rollovers and conversions from eligible retirement plans to Roth IRAs.** For tax years starting in 2010, the \$100,000 modified AGI limit on rollovers and conversions from eligible retirement plans to Roth IRAs is eliminated and married taxpayers filing a separate return can now rollover or convert amounts to a Roth IRA. Unless you elect otherwise, half of the income as the result of a rollover or conversion in 2010 is included in income in 2011, and the other half in 2012. For more information, see Pub. 590 or Pub. 575.

#### Purpose of Form

Use Form 8606 to report:

- Nondeductible contributions you made to traditional IRAs,
- Distributions from traditional, SEP, or SIMPLE IRAs, if you have ever made nondeductible contributions to traditional IRAs,
- Distributions from Roth IRAs, and
- Conversions from traditional, SEP, or SIMPLE IRAs to Roth IRAs.

**Additional information.** See Pub. 590, for more details.

**TIP** If you received distributions from a traditional, SEP, or SIMPLE IRA in 2009 and you have never made nondeductible contributions to

traditional IRAs, do not report the distributions on Form 8606. Instead, see the instructions for Form 1040, lines 15a and 15b; Form 1040A, lines 11a and 11b; or Form 1040NR, lines 16a and 16b. Also, to find out if any of your contributions to traditional IRAs are deductible, see the instructions for Form 1040, line 32; Form 1040A, line 17; or Form 1040NR, line 31.

#### Who Must File

File Form 8606 if any of the following apply.

- You made nondeductible contributions to a traditional IRA for 2009, including a repayment of a qualified reservist distribution.
- You received distributions from a traditional, SEP, or SIMPLE IRA in 2009 and your basis in traditional IRAs is more than zero. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster recovery assistance distribution), qualified charitable distribution, a one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted an amount from a traditional, SEP, or SIMPLE IRA to a Roth IRA in 2009 (unless you recharacterized the entire conversion—see page 3).
- You received distributions from a Roth IRA in 2009 (other than a rollover, recharacterization, or return of certain contributions—see page 7).
- You made a repayment of a qualified hurricane, disaster recovery assistance, or recovery assistance distribution that is attributable to previously nondeductible contributions.

**Note.** If you recharacterized a 2009 Roth IRA contribution as a traditional IRA contribution, or vice versa, treat the contribution as having been made to the second IRA, not the first IRA. See page 3.



If you received any qualified disaster recovery assistance distributions, complete Part I of Form 8930 before you complete Form 8606.



You do not have to file Form 8606 solely to report regular contributions to Roth IRAs or rollovers from qualified retirement plans to Roth IRAs. But see What Records Must I Keep? on page 5.

#### When and Where To File

File Form 8606 with your 2009 Form 1040, 1040A, or 1040NR. If you are not required to file an income tax return but are required to file Form 8606, sign Form 8606 and send it to the Internal Revenue Service at the same time and place you would otherwise file Form 1040, 1040A, or 1040NR.

#### Definitions

##### Deemed IRAs

A qualified employer plan (retirement plan) can maintain a separate account or annuity under the plan (a deemed IRA) to receive voluntary employee contributions. If in 2009 you had a deemed IRA, use the rules for either a traditional IRA or a Roth IRA depending on which type it was. See Pub. 590 for more details.

##### Traditional IRAs

For purposes of Form 8606, a traditional IRA is an individual retirement account or an individual retirement annuity other than a SEP, SIMPLE, or Roth IRA.

**Contributions.** An overall contribution limit applies to traditional IRAs and Roth IRAs. See *Overall Contribution Limit for Traditional and Roth IRAs* on page 2. Contributions to a traditional IRA may be fully deductible, partially deductible, or completely nondeductible.

**Basis.** Your basis in traditional IRAs is the total of all your nondeductible contributions and nontaxable amounts included in rollovers made to traditional IRAs minus the total of all your nontaxable distributions, adjusted if necessary (see the instructions for line 2 on page 5). Keep track of your basis to figure the nontaxable part of your future distributions.

##### SEP IRAs

A simplified employee pension (SEP) is an employer-sponsored plan under which an employer can make contributions to traditional IRAs for its employees. If you make contributions to that IRA (excluding employer contributions you make if you are self-employed), they are treated as contributions to a traditional IRA and may be deductible or nondeductible. SEP IRA distributions are reported in the same manner as traditional IRA distributions.

IRA.3

## SIMPLE IRAs

Your participation in your employer's SIMPLE IRA plan does not prevent you from making contributions to a traditional, SEP, or Roth IRA.

## Roth IRAs

A Roth IRA is similar to a traditional IRA, but has the following features.

- Contributions are never deductible.
- Contributions can be made after the owner reaches age 70½.
- No minimum distributions are required during the Roth IRA owner's lifetime.
- Qualified distributions are not includible in income.

**Qualified distribution.** Generally, a qualified distribution is any distribution made:

- On or after age 59½,
- Upon death,
- Due to disability, or
- For qualified first-time homebuyer expenses.

**Exception.** Any distribution made during the 5-year period beginning with the first year for which you made a Roth IRA contribution or conversion is not a qualified distribution, and may be taxable.

**Contributions.** You can contribute to a Roth IRA for 2009 only if your 2009 modified adjusted gross income (AGI) for Roth IRA purposes is less than:

- \$10,000 if married filing separately and you lived with your spouse at any time in 2009,
- \$176,000 if married filing jointly or qualifying widow(er), or
- \$120,000 if single, head of household, or if married filing separately and you did not live with your spouse at any time in 2009.

Use the Maximum Roth IRA Contribution Worksheet below to figure the maximum amount you can contribute to a Roth IRA for 2009. If you are married filing jointly, complete the worksheet separately for you and your spouse.



*If you contributed too much, see Recharacterizations on page 3.*

**Modified AGI for Roth IRA purposes.** First, figure your AGI (Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 36). Then, refigure it by:

1. Subtracting the following.
  - a. Roth IRA conversions included on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b.
  - b. Roth IRA rollovers from qualified retirement plans included on Form 1040, line 16b; Form 1040A, line 12b; or Form 1040NR, line 17b.
  - c. Minimum required distributions from IRAs (for conversions and rollovers from qualified retirement plans only).



*Required minimum distributions from IRAs are waived for 2009. See Pub. 590 for more information.*

2. Adding the following.

- a. IRA deduction from Form 1040, line 32; Form 1040A, line 17; or Form 1040NR, line 31.
- b. Student loan interest deduction from Form 1040, line 33; Form 1040A, line 18; or Form 1040NR, line 32.
- c. Tuition and fees deduction from Form 1040, line 34; or Form 1040A, line 19.
- d. Domestic production activities deduction from Form 1040, line 35; or Form 1040NR, line 33.
- e. Exclusion of interest from Form 8815, Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989.
- f. Exclusion of employer-provided adoption benefits from Form 8839, Qualified Adoption Expenses.
- g. Foreign earned income exclusion from Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion.
- h. Foreign housing exclusion or deduction from Form 2555.



*When figuring modified AGI for Roth IRA purposes, you may have to refigure items based on modified AGI, such as taxable social security benefits and passive activity losses allowed under the special allowance for rental real estate activities. See Can You Contribute to a Roth IRA? in Pub. 590 for details.*

**Distributions.** See the instructions for Part III that begin on page 7.

## Overall Contribution Limit for Traditional and Roth IRAs

If you are not married filing jointly, your limit on contributions to traditional and Roth IRAs is the smaller of \$5,000 (\$6,000 if age 50 or older at the end of 2009) or your taxable compensation (defined later). If you are married filing jointly, your contribution limit is generally \$5,000 (\$6,000 if age 50 or older at the end of 2009) and your spouse's contribution limit is \$5,000 (\$6,000 if age 50 or older at the end of 2009) as well. But if the combined taxable compensation of both you and your spouse is less than \$10,000 (\$11,000 if one spouse is 50 or older at the end of 2009; \$12,000 if both spouses are 50 or older at the end of 2009), see Pub. 590 for special rules. This limit does not apply to employer contributions to a SEP or SIMPLE IRA.

**Catch-up contributions in certain employer bankruptcies.** If you participated in a 401(k) plan and the employer who maintained the plan went into bankruptcy in an earlier year, you may be able to contribute an additional \$3,000 to your IRA. For more information, see *Catch-up contributions in certain employer bankruptcies* in Pub. 590.

### Maximum Roth IRA Contribution Worksheet (keep for your records)

**Caution:** *If married filing jointly and the combined taxable compensation (defined on page 3) for you and your spouse is less than \$10,000 (\$11,000 if one spouse is 50 or older at the end of 2009; \$12,000 if both spouses are 50 or older at the end of 2009), do not use this worksheet. Also, do not use this worksheet if you or your spouse qualify for the catch-up contributions for certain employer bankruptcies. Instead, see Pub. 590 for special rules.*

1. If married filing jointly, enter \$5,000 (\$6,000 if age 50 or older at the end of 2009). All others, enter the <b>smaller</b> of \$5,000 (\$6,000 if age 50 or older at the end of 2009) or your taxable compensation (defined on page 3) . . . . .	1. _____
2. Enter your total contributions to traditional IRAs for 2009 . . . . .	2. _____
3. Subtract line 2 from line 1 . . . . .	3. _____
4. Enter: \$176,000 if married filing jointly or qualifying widow(er); \$10,000 if married filing separately and you lived with your spouse at any time in 2009. All others, enter \$120,000 . . . . .	4. _____
5. Enter your modified AGI for Roth IRA purposes (see this page)	5. _____
6. Subtract line 5 from line 4. If zero or less, <b>stop here</b> ; you may not contribute to a Roth IRA for 2009. See <b>Recharacterizations</b> on page 3 if you made Roth IRA contributions for 2009 . . . . .	6. _____
7. If line 4 above is \$120,000, enter \$15,000; otherwise, enter \$10,000. If line 6 is more than or equal to line 7, skip lines 8 and 9 and enter the amount from line 3 on line 10 . . . . .	7. _____
8. Divide line 6 by line 7 and enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000 . . . . .	8. _____
9. Multiply line 1 by line 8. If the result is not a multiple of \$10, increase it to the next multiple of \$10 (for example, increase \$490.30 to \$500). Enter the result, but not less than \$200 . . . . .	9. _____
10. <b>Maximum 2009 Roth IRA Contribution.</b> Enter the <b>smaller</b> of line 3 or line 9. See <b>Recharacterizations</b> on page 3 if you contributed more than this amount to Roth IRAs for 2009 . . . . .	10. _____

IRA.4



# THRIFT SAVINGS PLAN REQUEST FOR A TRANSFER INTO THE TSP

# TSP-60

Use this form to request a transfer or to complete a rollover from an eligible retirement plan into your Thrift Savings Plan (TSP) account. To transfer funds into the TSP, **you must have an open TSP account** and you cannot be receiving monthly payments from it. A check (showing the participant's name and TSP account number or Social Security number) **should accompany this form**. Otherwise, funds received by the TSP will not be invested until a properly completed Form TSP-60 has been received. Once funds are posted to your TSP account, they are allocated according to the most current contribution allocation on file. **Give this entire form with cover page to the trustee (or custodian) of your traditional IRA or to the administrator of your eligible employer plan.**

**Warning:** Any intentional false statement in this request or willful misrepresentation concerning it is a violation of law that is punishable by a fine or imprisonment for as long as 5 years, or both (18 U.S.C. §1001).

## I. INFORMATION ABOUT YOU

1. Name \_\_\_\_\_  
Last First Middle
2. \_\_\_\_\_ 3. \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ 4. (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
TSP Account Number Date of Birth (mm/dd/yyyy) Daytime Phone (Area Code and Number)
5. Address \_\_\_\_\_  
Street address or box number
6. City \_\_\_\_\_ 7. \_\_\_\_\_ 8. \_\_\_\_\_  
State/Country Zip Code

## II. INFORMATION ABOUT YOUR FUNDS

(See Section II instructions on back of form.)

9. This is a:  Transfer  Rollover (For complete definitions, see General Information on page 2. **Note:** If this is a **direct rollover**, check "Transfer.")
10. Amount being submitted \$ \_\_\_\_\_
11. If this is a rollover, the date you received the distribution \_\_\_\_\_  
mm / dd / yyyy
12. This distribution is from my:  
 Eligible Employer Plan  Traditional IRA

## III. YOUR CERTIFICATION

I, \_\_\_\_\_, certify to the best of my knowledge that the distribution I am transferring or rolling over to the TSP meets the requirements for a distribution from a traditional IRA or an eligible employer plan (whichever is applicable) that are described on page 2 of this form.

I further certify that I have read this form in its entirety and that the information I have provided is true and complete to the best of my knowledge.

13. \_\_\_\_\_ 14. \_\_\_\_\_  
Participant's Signature Date Signed

## IV. CERTIFICATION BY TRADITIONAL IRA OR ELIGIBLE EMPLOYER PLAN ADMINISTRATOR

This section **must** be completed by the trustee (or custodian) of the traditional IRA or by the administrator of the eligible employer plan from which the distribution is being (or was) distributed. **Do not send funds if this form is not completed in its entirety or if the appropriate documentation is not provided.** The participant's TSP account number or Social Security number **must** be included on the check.\*

15. Gross amount of distribution (see back of form). \$ \_\_\_\_\_

I certify that the funds are being or have been distributed from an eligible retirement plan as defined in I.R.C. § 402(c)(8)(B).

16. \_\_\_\_\_  
Typed or printed name of Financial Institution Representative or Plan Administrator
17. \_\_\_\_\_ 18. \_\_\_\_\_  
Signature of Financial Institution Representative or Plan Administrator Date Signed
19. \_\_\_\_\_ 20. (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Name of Institution Contact Phone Number
21. \_\_\_\_\_  
Address

\* **Note:** If you are prohibited from providing the participant's TSP account number or Social Security number on the check, you must enclose a document containing this information with the check.

Form TSP-60 (7/2008)  
PREVIOUS EDITIONS OBSOLETE

TSP-60!

## **GENERAL INFORMATION FOR PARTICIPANTS AND ELIGIBLE EMPLOYER PLAN ADMINISTRATORS OR CUSTODIANS**

### **What distributions will the TSP accept?**

The TSP will accept distributions from any eligible retirement plan, as defined in Internal Revenue Code (I.R.C.) § 402(c)(8)(B). An eligible retirement plan includes a traditional IRA and an eligible employer plan as defined below. To be accepted by the TSP, distributions must meet different requirements depending on whether they are from a traditional IRA or an eligible employer plan. Before submitting this form, a TSP participant who would like to transfer or roll over money into the TSP from a traditional IRA or an eligible employer plan should check with a representative of his or her IRA or plan to determine what portion of a distribution (if any) meets the applicable requirements, as described below.

**Note:** Participants are required to certify (in Section III of this form) that the distribution they are seeking to transfer or roll over to the TSP meets the applicable requirements. If you cannot sign the certification, the TSP cannot accept your transfer or rollover.

**Traditional IRA.** This is an individual retirement account described in I.R.C. § 408(a) or an individual retirement annuity described in I.R.C. § 408(b). It does not include a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA); distributions from these types of IRAs will not be accepted by the TSP.

The TSP will accept all or a portion of a distribution from a traditional IRA **except** a distribution that:

- is a minimum distribution required by I.R.C. § 401(a)(9); or
- consists of after-tax balances (i.e., money that has already been subjected to Federal income tax).

**Eligible Employer Plan.** This is a plan qualified under I.R.C. § 401(a) (including a § 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan); an I.R.C. § 403(a) annuity plan; an I.R.C. § 403(b) tax-sheltered annuity; or an eligible I.R.C. § 457(b) plan maintained by a governmental employer. In order to be transferred or rolled over into the TSP, the distribution from an eligible employer plan must be an "eligible rollover distribution."

An eligible rollover distribution is a distribution to a participant in a plan of all or a portion of his or her account. However, it **cannot** be:

- one of a series of substantially equal periodic payments made over the life expectancy of the employee (or the joint lives of the employee and designated beneficiary, if applicable), or for a period of 10 years or more;
- a minimum distribution required by I.R.C. § 401(a)(9);
- a hardship distribution;
- a plan loan that is deemed to be a taxable distribution because of default; or
- a return of excess elective deferrals.

Examples of eligible rollover distributions include: a lump sum distribution after terminating employment; an age-based in-service withdrawal; a final single payment after a series of monthly payments; death benefits made to a spouse; or payments made to a spouse or former spouse pursuant to a qualified domestic relations order (QDRO). For Federal civilian employees, an eligible rollover distribution may also include some retirement benefits administered by the Office of Personnel Management (for example, the taxable portion of the Alternative Form of Annuity (AFA) or interest on lump sum retirement credits).

All of the money transferred into the TSP must be money that would have been included in the participant's gross income for the tax year in which the transfer was made, had the money been distributed without being transferred or rolled over. In other words, the

TSP will **not** accept transfers or rollovers of after-tax balances (i.e., money that has already been subjected to Federal income tax). The TSP also will not accept tax-exempt balances (i.e., money that is never subject to Federal income tax) from a uniformed services TSP account into a civilian TSP account.

### **What is the difference between a "transfer" and a "rollover"?**

A **transfer** (also known as a "direct rollover") occurs when the participant instructs a traditional IRA or eligible employer plan to send all or part of his or her eligible distribution directly to the TSP instead of issuing it to him or her.

A **rollover** occurs when the traditional IRA or eligible employer plan makes a distribution to the participant (after withholding the applicable Federal income tax) and the participant deposits all or any part of the gross amount of the distribution into the TSP within 60 days of receiving it.

The check must be made payable to the Thrift Savings Plan; the participant's name and TSP account number or Social Security number must either appear on the check or accompany the check.

### **How much can a participant transfer or roll over into the TSP?**

A participant can transfer or roll over into the TSP all or any part of a distribution that meets the applicable requirements (described above) and that does not include after-tax or tax-exempt balances. If the distribution is made to the participant, an IRA may withhold taxes; an eligible employer plan must withhold taxes before making the distribution. The participant can roll over the entire amount of the distribution, including any amount that was withheld for taxes, by making up with personal funds the amount that was withheld.

**Note:** Any portion of the distribution that the participant chooses not to transfer or roll over will be taxed as ordinary income in the year it is received. In addition, if the participant is younger than 59½ at the time of distribution, he or she may have to pay a 10% early withdrawal penalty tax on the amount that was not transferred or rolled over.

There is no limit to the number of transfers or rollovers into the TSP that a participant can make. For example, if you were a participant in two different private-sector qualified retirement plans, you can transfer or roll over money from both plans into the TSP.

### **How does the annual elective deferral limit affect transfers?**

Money that is transferred or rolled over into the TSP is not applied to the annual elective deferral limit (\$15,500 in 2008) that is imposed on regular employee contributions.

### **What happens to the money once it reaches the TSP?**

Money that is transferred or rolled over to the TSP is allocated to the TSP funds according to the participant's most current contribution allocation on file. Once the funds are posted to the participant's TSP account, they are treated like employee contributions and will be subject to the same plan rules as all other employee balances in the account. These rules may be different from the rules of the IRA or plan. For example, the money will be available for loans or in-service withdrawals. Any future transactions a participant makes will apply to the entire account balance, including the money that has been transferred. The money will be subject to court orders against the TSP account, and spousal rights rules will apply to all loans and withdrawals from the account.

**Note:** Because the TSP accepts only funds that have never been taxed, funds transferred into the TSP will be subject to taxation when they are eventually distributed to the participant. Therefore, you must make sure you are asking the TSP to accept only funds that have not already been taxed.

## FORM TSP-60 INSTRUCTIONS

Use this form to request that the Thrift Savings Plan (TSP) accept a transfer or rollover of all or any tax-deferred portion of your distribution from a traditional IRA or an eligible employer plan and deposit it into your TSP account. You must have an **open** TSP account when your request is received by the TSP, and you cannot be receiving monthly payments from your account.

Participants **must** complete Sections I, II, and III of this form.

**If the IRA or plan is transferring the distribution directly** to the TSP, give the completed form to the trustee of your traditional IRA or to the administrator of your eligible employer plan so that he or she can complete Section IV (or submit the appropriate supporting documentation) and transfer your funds.

**If you have already received the distribution** from your IRA or plan, ask the IRA trustee or the administrator of the plan to complete Section IV and return the form to you as soon as possible.

Mail this form and a check made payable to the Thrift Savings Plan, providing your name and TSP account number or Social Security number, to: **TSP Rollover and Transfer Processing Unit, P.O. Box 385200, Birmingham, AL 35238-5200**. Or fax the completed form to our toll-free fax number: **1-866-458-1452**. Outside the U.S. and Canada, fax to: **205-439-4501** (not toll free), and send your check immediately under separate cover.

**When you send us a rollover check**, it will be converted into an electronic funds transfer (EFT). This means that we will make an electronic image of your check and use the account information on it to debit your bank account electronically for the amount of the check. The debit from your account will usually occur within 24 hours of the time we receive the payment.

Although the debit will be reflected on your bank statement, you will not receive the cancelled check because the original will be destroyed after we image it. If for some technical reason the data from the EFT cannot be processed, we will transmit our imaged copy of your check to your bank.

If you have questions, call the ThriftLine toll free at 1-877-968-3778 or the TDD at 1-877-847-4385. Outside the U.S. and Canada, please call 404-233-4400 (not toll free).

**Note:** The TSP cannot accept transfers from IRAs that are not traditional IRAs (as defined on page 2), nor will the TSP accept after-tax balances (i.e., money that has already been subjected to Federal income tax) from a traditional IRA or an eligible employer plan. The TSP also will not accept tax-exempt balances (i.e., money that is never subject to Federal income tax) from a uniformed services TSP account into a civilian TSP account. **In addition**, if the TSP does not receive a Form TSP-60, but receives a check without a participant's identification (name and TSP account number or Social Security number), the original check will be returned to the sender. If a check is received with appropriate identification, but without Form TSP-60, the original check will be held for up to 15 days (without earnings) pending receipt of the completed form (and supporting documentation, if necessary). After that time, if the form (and any other necessary documentation) is not received, the check will be returned to the sender—that is, to the financial institution if the check was a direct transfer, or to the participant if the check was a rollover.

**Your transfer or rollover will be deposited according to your most current contribution allocation on file with the TSP.** Transfers and rollovers into the TSP are treated as employee contributions. As such, they will be subject to all the rules and regulations applicable to all TSP employee contributions. However, they are not subject to the IRS elective deferral limit, which limits the amount of tax-deferred contributions you can make to a retirement plan in a particular year.

**SECTION I.** Complete **Items 1–8**. If you are a current Federal employee and the address you provide on this form is different from the address in your TSP record, have your agency submit an address change for you; the address on this form cannot be used to update your TSP record. However, if you are separated from Federal service, the address you provide here will be used to update the address in your TSP record.

**SECTION II.** Complete this section. In **Item 9** indicate whether the funds are going to be transferred directly from the financial institution holding your traditional IRA or from your former eligible employer plan (i.e., check the box to indicate that this will be a "Transfer," also known as a "direct rollover") or whether the distribution has already been paid to you and you will send a check in the amount of the distribution to the TSP (i.e., check the box to indicate that this will be a "Rollover"). For additional information, see "What is the difference between a 'transfer' and a 'rollover'?" in the General Information section on page 2.

**Item 10.** Indicate the total amount that is being deposited into the TSP. This is the amount of the check that you will send to the TSP. The amount you indicate here cannot exceed the amount shown in **Item 15**. If the distribution is being transferred directly from your IRA or plan and you do not know the exact amount of the distribution, leave this item blank.

**Item 11.** If you have already received the distribution, provide the **date that you received it**. Otherwise, leave Item 11 blank.

**Item 12.** Check the appropriate box to indicate whether the distribution is from your traditional IRA or eligible employer plan (see definitions of these terms on page 2). Complete this information whether the distribution is being transferred or rolled over.

**SECTION III.** Provide your name in the blank space. Read "What distributions will the TSP accept?" on page 2 of this form and sign and date **Items 13 and 14** if the information is correct. If you cannot certify that your transfer or rollover meets all of the requirements described, you **cannot** transfer or roll over your distribution into the TSP.

**SECTION IV. This section must be completed by the representative of your traditional IRA or eligible employer plan.** Therefore, the following instructions are intended for the IRA or plan representative.

If you are unwilling to complete this section, submit an IRS Letter of Determination or a letter (on your letterhead) confirming that the funds are being transferred from a qualified plan. Otherwise, we cannot deposit the funds into the participant's account.

**If the eligible rollover distribution is being transferred** from a traditional IRA or eligible employer plan directly to the TSP, the IRA or plan must mail the completed Form TSP-60 and a check for the amount being transferred directly to the TSP at the address shown on this page. **Note:** A check showing the **participant's name and TSP account number or Social Security number** should accompany this form. If your plan's policy prohibits placing the participant's TSP account number or Social Security number on the check, enclose a document containing that information so that the funds can be deposited into the proper account. **If we cannot identify the account** to which the funds should be deposited, we will return the check to the sender.

**If the distribution has already been made to the participant**, the IRA or plan administrator should return the completed form to the participant as soon as possible so that he or she can make the rollover within the allowed 60-calendar-day period.

**Item 15.** Indicate the total gross amount of the distribution that is being made, or was made, from the IRA or plan. If the distribution is being transferred directly from the IRA or plan to the TSP, make the distribution check **payable to the Thrift Savings Plan**.

**Items 16 – 21.** Read the certification and complete the requested information.

**PRIVACY ACT NOTICE.** We are authorized to request the information you provide on this form under 5 U.S.C. chapter 84, Federal Employees' Retirement System. We will use this information to identify your TSP account and to process your transaction. In addition, this information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. We may share the information with law enforcement agencies investigating a violation of civil or criminal law, or agencies

implementing a statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries, and their attorneys. We may disclose relevant portions of the information to appropriate parties engaged in litigation and for other routine uses as specified in the Federal Register. You are not required by law to provide this information, but if you do not provide it, we will not be able to process your request.

Form TSP-60 (7/2008)  
PREVIOUS EDITIONS OBSOLETE

TSP-60.3



# **Form TSP-60 Request for a Transfer Into the TSP**

## **Information for TSP Participants, Custodians of Traditional IRAs, and Administrators of Eligible Employer Plans**

The Thrift Savings Plan (TSP) can accept transfers (or rollovers) of eligible distributions from any eligible retirement plan, including a traditional IRA and an eligible employer plan (or its designated financial institution).

Only TSP participants who have open accounts can transfer money into the TSP. This includes participants who are separated from Federal civilian service or the uniformed services. However, a separated participant who is receiving monthly payments from his or her TSP account cannot transfer money into it. Participants cannot *open* a TSP account by transferring funds to the TSP.

The TSP is a retirement savings and investment plan for Federal employees and members of the uniformed services. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The TSP is to be treated as a trust described in 26 U.S.C. § 401(a) which is exempt from taxation under 26 U.S.C. § 501(a). TSP regulations are published in title 5 of the Code of Federal Regulations, Parts 1600-1690, and are periodically supplemented and amended in the Federal Register.

**July 2008**

TSP 60.4



Civil Service Retirement System

# APPLICATION TO MAKE VOLUNTARY CONTRIBUTIONS

## Civil Service Retirement System

(1) Type or print in ink.  
(2) Answer all the questions.

1. Name (Last, first, middle)		2. Date of birth (mm/dd/yyyy)		3. Social Security Number	
4. Address (Number, street, city, state, and ZIP code)					
6a. Do you have any civilian government service during which no Civil Service Retirement deductions were taken from your salary?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	6b. Have you made a deposit to the Civil Service Retirement and Disability Fund to cover this non-deduction service?	
7a. Do you have any service during which Civil Service Retirement deductions were taken from your salary and later refunded to you?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	7b. Have you made a redeposit to the Civil Service Retirement and Disability Fund of the amount refunded to you?	
8a. Have you ever made voluntary contributions and later received a refund of them?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	8b. Have you since been separated from the government service for a period of more than 3 calendar days?	
<p><b>If your answer to question 6b, 7b, or 8b is "No", do not file this application. See the attached information.</b></p>		<p><b>Agency Certification</b> I certify that the applicant is an employee of the agency shown below, is in a position subject to the Civil Service Retirement System, and has answered question 6a correctly.</p>			
I hereby apply to make voluntary contributions to the Civil Service Retirement and Disability Fund. I am employed in a position subject to the Civil Service Retirement System or I am an applicant for retirement under the Civil Service Retirement System. I have read the information on the attached page.		Agency address		Signature	
Applicant's signature (Do not print)		Date		Official title	
				Telephone number ( )	
<p><b>Privacy Act Statement</b></p> <p>Title 5, U.S. Code, Chapter 83, Civil Service Retirement authorizes the solicitation of this information. The data you furnish will be used to identify records properly associated with this application, to obtain additional information if necessary, and to determine if you are eligible to make voluntary contributions to the Civil Service Retirement and Disability Fund. This information may be shared and is subject to verification, via paper, electronic media, or through the use of computer matching programs, with national, state, local or other charitable or social security administrative agencies to determine and issue benefits under their programs or to report income for tax purposes. It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of civil or criminal law. Executive Order 9397 (November 22, 1943) authorizes use of the Social Security Number. Failure to supply all of the requested information may delay or prevent approval of your application.</p> <p>You need to read the attached information so that you understand the effect of making voluntary contributions. Ask your personnel office if you are employed and need more information. If a personnel office is not available, contact the Office of Personnel Management at the address given or call 1-888-767-6738 (TDD: 1-800-878-5707).</p>					

VC.1

## Information Regarding Voluntary Contributions

### Civil Service Retirement System

#### Filing Your Application

If you are an employee, you must submit the completed form to your agency personnel office. They will complete the agency certification box and forward your application to the Office of Personnel Management. If you are already separated for retirement and are waiting for your retirement application to be approved, no agency certification is needed. Send your application to:

U.S. Office of Personnel Management  
Retirement Operations Center  
PO Box 45  
Boyers, PA 16017-0045

Do not send any payment with this application; if you do, it will be returned. OPM will send full instructions on how to make contributions once your application is accepted.

#### Definition

Voluntary contributions are optional payments made to the Civil Service Retirement and Disability Fund for the purchase of additional annuity at retirement.

#### Who May Make Voluntary Contributions

Active employees covered under the Civil Service Retirement System (CSRS) or retired employees whose applications for CSRS retirement are being adjudicated may make voluntary contributions, provided the Application to Make Voluntary Contributions, SF 2804, has been approved by OPM. No monies will be accepted until the SF 2804 is approved. OPM will not approve an application from anyone who, although otherwise eligible, (1) has not deposited amounts covering all civilian service performed by the applicant or (2) has previously received a refund of voluntary contributions, unless the applicant was separated for more than 3 calendar days and was again employed in a position subject to the CSRS after the refund was paid. Note that employees covered by or retiring under the Federal Employees Retirement System (FERS) are not eligible to make voluntary contributions. An employee who transfers from CSRS to FERS may not make additional contributions to an existing voluntary contributions account. However, the account will continue to earn interest as explained below.

#### How to Make Voluntary Contributions

As long as you are eligible, you may make voluntary contributions at regular intervals or whenever you wish. They cannot be deducted from your salary. However, after your account is established, OPM will send you information about how to have payments deducted from your account at a bank or credit union. Each payment must be in multiples of \$25 (i.e., \$50, \$75, \$100, etc). Once your application is accepted, you will be assigned an account number and OPM will provide you with instructions for making payments. You may make voluntary contributions at any time after OPM notifies you that you have an account and before you apply for a refund or notify OPM that you want to purchase additional annuity.

#### Limit on Contributions

Your total contributions cannot be more than 10 percent of the total of your basic civilian salary received as of the date any contribution is made. You cannot make contributions based on anticipated future earnings. OPM will compute your limitation when you retire or close out your account. We will accept the contributions you make; however, when you retire or close out your account, any amount found to be in excess of your limit will be refunded, without interest.

#### Refund of Contributions

You may apply for and be paid a refund of all (not just a part) of your voluntary contributions plus earned interest at any time before you retire and receive additional annuity. Please note that you will not receive interest on the amount of your deposits that exceed the 10 percent limitation. If you are paid such a refund, your account is closed. You cannot open another account or again make voluntary contributions unless you are separated for more than 3 calendar days and are then reemployed in a position subject to CSRS.

#### Interest

Your voluntary contributions account earns interest at a rate of 3 percent a year through December 31, 1984. Thereafter, your account earns interest at a rate equal to the average yield earned by new investments purchased by the Civil Service Retirement and Disability Fund during the preceding fiscal year. Interest begins to accrue on the date your voluntary contributions are deposited in your account. Interest is compounded annually on December 31 of each year. This interest is not subject to Federal income tax until it is paid to you.

As a general rule, your voluntary contributions stop earning interest on the earliest of the following dates: (1) the date OPM authorizes payment of a refund of your voluntary contributions; (2) the date you separate from Federal service; or (3) the date you transfer to a position not subject to CSRS (or FERS). Sole exception: if you separate from Federal service with entitlement to a deferred annuity commencing at age 62 and do not elect a refund of voluntary contributions, interest will continue to accrue to your annuity commencing date (62nd birthday) or your death, whichever is earlier. (Note: In the case of a separated employee with title to a deferred annuity who receives a refund of voluntary contributions — either before or after reaching age 62 — the general rule applies and no interest is payable for the time beyond the date of his or her separation from service.)

#### If You Die While You Are a Federal Employee

In this event, your voluntary contributions and accrued interest are payable immediately in a lump sum. The money cannot be used to buy additional survivor annuity for your widow(er) or children. No interest accrues after your death.

SF 2804

Revised July 2006

J.C.2

### **At Retirement**

You may elect a refund of your voluntary contributions, plus interest, or you may purchase additional annuity. The amount of additional annuity purchased with your voluntary contributions and interest depends upon your age at the time you retire and, once fixed, it does not change as you grow older. If you retire at age 55 or younger and do not elect a survivor's voluntary contributions annuity benefit, each \$100 to your credit will purchase \$7 a year of additional annuity. This additional annuity increases by 20 cents for each full year you are over 55 when you retire. Thus if you retire at age 60, each \$100 will purchase \$8 a year of additional annuity; at age 62, \$8.40 a year; and at age 70, \$10 a year. The additional annuity is payable for as long as you stay retired. Cost-of-living adjustments are not applied to the additional annuity.

When you retire and elect to purchase additional annuity, you may elect to share your additional annuity with your spouse or any other person. If you do, your own additional annuity will be reduced and, at your death, the person you named will be paid half your additional annuity for the rest of his or her life. The reduction in your additional annuity will depend on the difference in ages between you and the person you name.

### **Death After Retirement**

Any voluntary contributions or interest not paid in the form of additional annuity to you or to your named survivor will be refunded in a lump sum.

### **Federal Taxation of Voluntary Contributions**

If you take a refund of voluntary contributions, any accrued interest is taxable in the year you receive payment, unless you roll it over into an IRA or other qualified retirement plan. Also, if you receive the refund before you attain age 59½, the interest portion of the refund is subject to an additional 10 percent early distribution tax. However, the following situations are exceptions to this 10 percent tax:

1. payments on account of disability (as defined by the Internal Revenue Service Code);
2. monthly additional annuity payments elected at the time of retirement (rather than a lump sum payment of the Voluntary Contributions account);
3. payments after separation from service during or after the year in which you attain age 55.

To determine whether the 10 percent tax applies, you should get Form 5329 (and instructions) from your local Internal Revenue Service office. The interest portion of the refund would be eligible for rollover treatment if you elect a refund at retirement. If you elect to receive an additional annuity as a result of your voluntary contributions, it will be taxed under the "General Rule." Please refer to IRS Publication 721, "Tax Guide to U.S. Civil Service Benefits" for further information. Payments to survivors are not subject to the 10 percent tax.

**Detach This Information Sheet and Keep It for Future Reference.**

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## Voluntary Contributions Election

**Before you make your election, please read all of the information about refunds of voluntary contributions in the Voluntary Contributions Notice, RI 38-125, and the Special Tax Notice Regarding Rollovers, RI 37-22. For more information about voluntary contributions or this election, call 1-888-828-9451.**

**Please print clearly when you provide the following information:**

Your name (last, first, middle)	Date of birth (mm/dd/yyyy)
Your address	Daytime telephone number (including area code)
Your Voluntary Contributions Account Number <b>VC</b>	Your Social Security Number

**Date of Retirement or Separation (if applicable)** \_\_\_\_\_

Give us your election by selecting item 1, 2, or 3.

To receive a refund by selecting item 3, please send this form to the Office of Personnel Management, Retirement Operations Center, PO Box 45, Boyers, PA 16017-0045, Attn: Refund Section. If you are retiring, send this form at least 60 days before your separation date. If you are making voluntary contribution payments via Pre-Authorized Debit (PAD), you must contact OPM, P.O. Box 958241, St. Louis, MO 63195-8241, in writing or call 888-828-9451 to have the debits discontinued. To purchase additional annuity by selecting item 1, return this form to your personnel office with your application for retirement.

### 1. Additional Annuity

I want to use my voluntary contributions (VC), plus interest, to purchase additional annuity.

Please check (✓) one of the following options.

I do not want to provide a VC survivor annuity.       I want to provide a VC survivor annuity for the person named below.

Name of person (last, first, middle)	His/Her date of birth (mm/dd/yyyy)
His/Her address	
His/Her Social Security Number	
His/Her relationship to you, if any	

**Warning:** Any intentionally false or willfully misleading response you provide in this election is a violation of the law and punishable by a fine of not more than \$10,000 or imprisonment of not more than 5 years or both. (18 USC 1001)

Signature	Date (mm/dd/yyyy)
-----------	-------------------

### 2. Send Me Additional Information After I Retire

I do not want to make an election at this time. I want the Office of Personnel Management (OPM) to send me information that is specific to my case. I understand this information will be sent after OPM receives my application for retirement.

Signature	Date (mm/dd/yyyy)
-----------	-------------------

(continued on Page 2)

### 3. Lump Sum Refund of Voluntary Contributions (VC)

Use this form to elect how you want your lump sum paid. Please carefully read all of the information provided with this form before you make your election. A mistake in completing this form could prevent the Office of Personnel Management (OPM) from paying as you wish or could cause delay in processing your payment.

**Payment options — (Please check one option.)**

- Pay my VC refund on the date I separate for retirement.
- Pay my VC refund as soon as possible.

**Rollover Options — (Please tell us how to pay your contributions and interest by checking the blocks below.)**

If your VC refund is less than \$200, we cannot roll it over. We will pay it directly to you. Indicate below how you wish to have your VC refund paid if it is \$200 or more. If you elect to roll over less than 100% of your VC refund, the total amount you roll over to any one IRA or eligible employer plan must be at least \$500. If any choice you make below results in a rollover amount of less than \$500, we will not perform the rollover. Instead, we will make the payment to you. To avoid this situation, you may check the last block and ask for additional information. (Make one choice in each section below, unless you need additional information. If you need additional information before making this election, check the block in the last section.)

**If my total refund is \$200 or greater --**

**Interest Portion (taxable portion) of my VC refund --**

- Pay ALL by check made payable to me, with 20% Federal income tax withholding.
- Pay ALL by check made payable to my Individual Retirement Arrangement (IRA) or Eligible Employer Plan. (Your financial institution or employer plan must complete the financial institution certification on page 3.)

Name of the financial institution or employer plan \_\_\_\_\_

- Mail check to  the above institution or plan.  
 me. I will deliver the check to the above institution or plan.

- Pay ALL to my Thrift Savings Plan Account.  
 (You must sign and submit form TSP-60, Request for a Transfer Into the TSP, to OPM. Form TSP-60 is available on the internet at <http://www.tsp.gov>.)

**Contribution Portion (after tax portion) of my VC refund --**

(The Thrift Savings Plan will not accept this portion of your VC refund.)

- Pay ALL by check made payable to me.
- Pay ALL by check made payable to my Individual Retirement Arrangement (IRA) or Eligible Employer Plan. (Your financial institution or employer plan must complete the financial institution certification on page 3.)

Name of the financial institution or employer plan \_\_\_\_\_

- Mail check to  the above institution or plan.  
 me. I will deliver the check to the above institution or plan.

SEE  
IRS PUBLICATION  
590  
PAGE 23

**I need additional information before I decide.**

- I elect to have my VC refund computed and a rollover package with all my options sent to me before I decide how it should be paid. (Electing this option delays payment for at least an additional 30 days.)

My signature below certifies that I have made the election shown above and that I understand that distributions from the plan to which rollover is made may be subject to different restrictions and tax consequences than those that apply to distributions from OPM. I also understand that if I roll over non-taxable funds into an IRA, I am responsible to account separately for the taxable and non-taxable portions of the amount rolled over.

Signature (If you elect a rollover, Part 4 must be completed.)	Date (mm/dd/yyyy)	Daytime Telephone Number (including area code)
--	-------------------	--

(continued on Page 3)

VCE.2

#### 4. Certification from Financial Institutions or Eligible Employer Plans

Name of institution or eligible employer plan

Address of institution or plan

IRA account number or plan identification

**Certification:** My signature below confirms the account number for the individual named on page 1. As a representative of the financial institution or plan name above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from the Office of Personnel Management, to deposit them in an eligible IRA or eligible employer plan as defined in the Internal Revenue Code, and to account for these monies in compliance with the Internal Revenue Code. I understand that my signature below authorizes the transfer of taxable and/or non-taxable funds as indicated on page 2.

Typed or printed name of certifying representative

Telephone number (including area code)

Signature of certifying representative

Date of certification (mm/dd/yyyy)

Name of institution or eligible employer plan

Address of institution or plan

IRA account number or plan identification

**Certification:** My signature below confirms the account number for the individual named on page 1. As a representative of the financial institution or plan name above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from the Office of Personnel Management, to deposit them in an eligible IRA or eligible employer plan as defined in the Internal Revenue Code, and to account for these monies in compliance with the Internal Revenue Code. I understand that my signature below authorizes the transfer of taxable and/or non-taxable funds as indicated on page 2.

Typed or printed name of certifying representative

Telephone number (including area code)

Signature of certifying representative

Date of certification (mm/dd/yyyy)

#### Instructions for Rollover to the Federal Retirement Thrift Savings Plan

The Thrift Savings Plan (TSP) will not accept non-taxable (post-tax) monies. You must have an open TSP account. Before the Office of Personnel Management (OPM) can complete a rollover to your TSP account, you must sign and submit Form TSP-60, *Request for a Transfer Into the TSP*, to OPM. Submit both the TSP-60 and this form at the same time. OPM will complete its portion of the TSP-60 and fax it to the Thrift Savings office for processing. The form must be approved by the Federal Retirement Thrift Investment Board and the Board must notify OPM to transfer the funds. This process can take two to three weeks. Form TSP-60 is available on the internet at <http://www.tsp.gov/forms>.

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## Voluntary Contributions Notice

You can elect to receive a refund of your voluntary contributions (VC) or you can use the VC to purchase additional annuity when you retire. Most people choose a refund. You cannot elect a partial refund. Please read the following information before making your election and keep a copy of this notice for your records. If you are retiring, you can make your election after the Office of Personnel Management (OPM) receives your retirement package and sends you more detailed information specific to your case.

### Interest Accrual on Voluntary Contributions

Voluntary contributions earn interest until the earliest of the following dates: (1) the date OPM calculates the amount due because you have asked for a refund, (2) the date you separate from Federal service, or (3) the date you transfer to a position not subject to the Civil Service Retirement System or the Federal Employees' Retirement System. If you separate from Federal service with entitlement to a deferred annuity at age 62, interest continues to accrue until your 62nd birthday or the date of your death, whichever is earlier. However, if you are entitled to a deferred annuity and you request a refund of your VC instead of purchasing additional annuity, interest will only be paid to the date of your separation, regardless of whether you receive a deferred annuity.

### 1. If You Want to Purchase Additional Annuity:

If you do not request a refund, your voluntary contributions, plus interest, will purchase an additional annuity for you at the rate of \$7 per year plus 20 cents for each full year you are over age 55 for each \$100 you have in your voluntary contributions account.

You may elect a reduction in your voluntary contributions annuity to provide a VC survivor annuity for any person you name. This reduction is 10% of your VC annuity, plus an additional 5% for each full 5 years the person you name is younger than you, up to a maximum reduction of 40%. The amount of the benefit payable to the survivor is 50% of your reduced voluntary contributions annuity.

**Example:** Suppose you are 57 years old at retirement and have voluntary contributions of \$25,000, including interest. Your VC annuity is \$154 per month (\$25,000 divided by \$100 = 250 multiplied by \$7.40 = \$1,850 per year divided by 12 months = \$154, rounded down).

Suppose you provide a VC survivor annuity for someone who is age 50. Your VC annuity is reduced by 15%, to \$131 per month. ( $\$1,850 - \$277.50$  (15%) = \$1,572.50 per year divided by 12 months = \$131, rounded down.) Your survivor would receive \$65 per month after your death ( $\$1,572.50 \times .5 = \$786.25$  per year divided by 12 months = \$65, rounded down).

### You should consider the following facts before electing a VC annuity.

- Your VC annuity will be included in your regular monthly annuity payments. However, your VC annuity (and any VC survivor annuity payable after your death) will **not** be increased by cost-of-living adjustments.
- If you are married, you do not need the consent of your current spouse if you decide not to provide a VC survivor annuity, or if you decide to name another person to receive this benefit.
- The reduction to provide a VC survivor annuity is permanent and will not stop even if the person named to receive the benefit dies. The VC survivor benefit cannot be transferred to another person.
- A VC annuity or survivor annuity cannot be changed or canceled unless your signed request is received at OPM within 30 days after your first regular annuity payment.
- The taxable portion of your VC annuity may not be the same as the taxable portion of your regular annuity.

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## 2. If You Want a Refund of Your Voluntary Contributions:

If you receive a refund, you may roll all or part of it over to an Individual Retirement Account (IRA) to defer income tax. (For purposes of this notice, the term "IRA" includes eligible employer plans that accept rollovers.) Your rollover options depend on the amount of your VC refund. The Voluntary Contributions Annual Statement of Account we send to you at the beginning of each year shows the amount of contributions and interest in your account as of December 31 for the preceding year.

- If your VC payment is less than \$200** — OPM will not make a rollover payment. However, to defer income tax on the interest, you may roll over all or part of the payment within 60 days after you receive it. OPM will not withhold Federal income tax from interest amounts of less than \$200.
  
- If your VC payment is \$200 or more** — You have several rollover options.
  - You ask OPM to pay all to you. You may roll over part or all of the payment within 60 days after you receive the payment. However, OPM will withhold 20% of the interest portion for Federal income tax. You may apply for a refund of any excess tax withholding when you file your tax return.
  - You ask OPM to pay all or part directly to your IRA or eligible employer plan. OPM will not withhold Federal tax on the interest rolled over **directly** to an IRA or employer plan. The amount of a direct rollover by OPM must be at least \$500 if you want part of it paid to you and part of it paid directly to the IRA or employer plan. OPM will withhold 20% Federal income tax from any interest that is not rolled over.
  - You ask OPM to roll the taxable portion of your payment into your Thrift Savings Plan (TSP) account. (Note that the Federal Retirement Thrift Investment Board will not accept non-taxable funds.) Then, you can roll over the non-taxable portion to an IRA or employer plan or you can ask OPM to make that portion of the payment to you.

If your payment is at least \$200 and you want part or all of it paid directly to an IRA or employer plan, contact the IRA sponsor or employer plan for assistance. You must have the financial institution or employer plan complete Item 4 of Form RI 38-124, *Voluntary Contributions Election*. Do not make your rollover election until you have read the *Special Tax Notice Regarding Rollovers*, Form RI 37-22. The agency offering you this election should provide you with Form RI 37-22.

## 3. How to Make Your Election:

**To make your election:** Please complete Form RI 38-124, *Voluntary Contributions Election*. If you are applying for a refund, send the completed form to the Office of Personnel Management, Retirement Operations Center, (Attn: Refund Section), P.O. Box 45, Boyers, PA 16017-0045. If you are retiring and want a VC annuity or you want additional information before making your election, return the form to your personnel office.

### Privacy Act Statement

Solicitation of this information is authorized by Chapter 83, title 5, U.S. Code. The information you furnish will be used to obtain additional information, if necessary, and to determine and allow present or future benefits. The information may be shared and is subject to verification via paper, electronic media, or through the use of computer matching programs, with national, state, local, or other charitable or social security administrative agencies in order to determine benefits under their programs, to obtain information necessary for determination of benefits under this program, or to report income for tax purposes. It may also be shared or verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of civil or criminal law. Executive Order 9397 (November 22, 1943), authorizes the use of the social security number. Furnishing the data requested is voluntary, but failure to do so may delay or make it impossible for us to complete action on your election.

deduct the estate tax paid on any part of a distribution that is income in respect of a decedent. He or she can take the deduction for the tax year the income is reported. For information on claiming this deduction, see *Estate Tax Deduction* under *Other Tax Information* in Publication 559, *Survivors, Executors, and Administrators*.

Any taxable part of a distribution that is not income in respect of a decedent is a payment the beneficiary must include in income. However, the beneficiary cannot take any estate tax deduction for this part.

A surviving spouse can roll over the distribution to another traditional IRA and avoid including it in income for the year received.

**More information.** For more information about rollovers, required distributions, and inherited IRAs, see:

- *Rollovers*, later under *Can You Move Retirement Plan Assets*,
- *When Must You Withdraw Assets? (Required Minimum Distributions)*, later, and
- The discussion of *IRA beneficiaries* later under *When Must You Withdraw Assets? (Required Minimum Distributions)*.

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## Can You Move Retirement Plan Assets?

You can transfer, tax free, assets (money or property) from other retirement programs (including traditional IRAs) to a traditional IRA. You can make the following kinds of transfers.

- Transfers from one trustee to another.
- Rollovers.
- Transfers incident to a divorce.

This chapter discusses all three kinds of transfers.

**Transfers to Roth IRAs.** Under certain conditions, you can move assets from a traditional IRA or from a designated Roth account to a Roth IRA. For more information about these transfers, see *Converting From Any Traditional IRA Into a Roth IRA*, later, and *Can You Move Amounts Into a Roth IRA?* in chapter 2.

**Transfers to Roth IRAs from other retirement plans.** Beginning in 2008, under certain conditions, you can move assets from a qualified retirement plan to a Roth IRA. For more information, see *Can You Move Amounts Into a Roth IRA?* in chapter 2.

## Trustee-to-Trustee Transfer

A transfer of funds in your traditional IRA from one trustee directly to another, either at your request or at the trustee's request, is not a rollover. Because there is no distribution to you, the transfer is tax free. Because it is not a rollover, it

is not affected by the 1-year waiting period required between rollovers. This waiting period is discussed later under *Rollover From One IRA Into Another*.

For information about direct transfers from retirement programs other than traditional IRAs, see *Direct rollover option*, later.

## Rollovers

Generally, a rollover is a tax-free distribution to you of cash or other assets from one retirement plan that you contribute to another retirement plan. The contribution to the second retirement plan is called a "rollover contribution."

**Note.** An amount rolled over tax free from one retirement plan to another is generally includible in income when it is distributed from the second plan.

**Kinds of rollovers to a traditional IRA.** You can roll over amounts from the following plans into a traditional IRA:

- A traditional IRA,
- An employer's qualified retirement plan for its employees,
- A deferred compensation plan of a state or local government (section 457 plan), or
- A tax-sheltered annuity plan (section 403 plan).

**Treatment of rollovers.** You cannot deduct a rollover contribution, but you must report the rollover distribution on your tax return as discussed later under *Reporting rollovers from IRAs* and *Reporting rollovers from employer plans*.

**Rollover notice.** A written explanation of rollover treatment must be given to you by the plan (other than an IRA) making the distribution.

**Kinds of rollovers from a traditional IRA.** You may be able to roll over, tax free, a distribution from your traditional IRA into a qualified plan. These plans include the Federal Thrift Savings Fund (for federal employees), deferred compensation plans of state or local governments (section 457 plans), and tax-sheltered annuity plans (section 403(b) plans). The part of the distribution that you can roll over is the part that would otherwise be taxable (includible in your income). Qualified plans may, but are not required to, accept such rollovers.

**Tax treatment of a rollover from a traditional IRA to an eligible retirement plan other than an IRA.** Ordinarily, when you have basis in your IRAs, any distribution is considered to include both nontaxable and taxable amounts. Without a special rule, the nontaxable portion of such a distribution could not be rolled over. However, a special rule treats a distribution you roll over into an eligible retirement plan as including only otherwise taxable amounts if the amount you either leave in your IRAs or do not roll over is at least equal to your basis. The effect of this special rule is to make the amount in your traditional IRAs that you can roll over to an eligible retirement plan as large as possible.