

Personnel Employee Bulletin

July 9, 2009

Special Bulletin Benefits Information

Immediate Agency 1% and Matching Contributions for FERS employees' TSP accounts

On June 22, 2009, President Obama signed the H.R. 1256, Family Smoking Prevention and Tobacco Control Act into law. Part of this new law pertains to Agency Automatic 1% and Matching Contributions of funds to Federal Employees Retirement System (FERS) employees' Thrift Savings Plan (TSP) accounts. Traditionally, all new FERS employees came into federal service with a waiting period before they were eligible to receive the Agency 1% and Matching Contributions. This new law has eliminated the waiting periods, making employees eligible immediately. FERS employees who are currently employed and in a waiting period for agency contributions (i.e., employees hired on or after December 1, 2008) are also eligible to receive the Agency Automatic 1% and the Matching Contributions. **The new act does not allow for retroactive entitlements.**

For noncontributing employees Agency Automatic 1% Contributions will begin the first full pay period beginning July, 2009. Employees who are already contributing will receive both the Agency Automatic 1% and Matching Contributions during this pay period as well.

Reminder: FERS employees receive Matching Contributions up to 5% of their basic pay, which they contribute each pay period. The first 3% of pay that is contributed will be matched dollar-for-dollar; the next 2% will be matched at 50 cents per dollar. Contributions above 5% will not be matched. If TSP contributions are stopped, Matching Contributions will also stop.

For additional information, please contact your servicing DLA Human Resources Center, <http://www.hr.dla.mil/cntctus.htm>.
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