

MEMO# 14354

January 15, 2002

FEDERAL THRIFT SAVINGS PLAN RESPONSE TO INSTITUTE LETTER CONCERNING CERTIFICATION REQUIREMENT FOR ROLLOVERS

[14354] January 15, 2002 TO: PENSION MEMBERS No. 2-02 PENSION OPERATIONS ADVISORY COMMITTEE No. 2-02 RE: FEDERAL THRIFT SAVINGS PLAN RESPONSE TO INSTITUTE LETTER CONCERNING CERTIFICATION REQUIREMENT FOR ROLLOVERS The Institute last month submitted a letter to the Thrift Savings Plan for federal employees concerning the certification requirement contained in its rollover forms.¹ Specifically, in order to roll over amounts from a conduit IRA to the TSP, a TSP participant was required to obtain certification from the IRA trustee on Form TSP-60 that the amounts “consist solely of money received in an earlier distribution from a qualified retirement plan, and earnings on that money.” The Institute’s letter urged the TSP to eliminate this trustee certification requirement, noting that only the IRA owner has the information necessary to provide such a certification. The Institute also explained that, under the EGTRRA changes to the Internal Revenue Code that became effective January 1, 2002, an IRA need not qualify as a conduit IRA in order to be eligible for rollover into the TSP, and recommended that the form be revised to provide for certification by the IRA owner that the amounts at issue are eligible for rollover. In the attached letter, the general counsel of the Federal Retirement Thrift Investment Board has notified the Institute that the TSP will begin accepting rollovers from IRAs other than conduit IRAs, and from section 403(b) and 457 plans on April 1, 2002. At that time, the Form TSP-60 will be amended to require that the TSP participant, rather than the IRA trustee, certify that the distribution is an eligible rollover distribution and that it contains only tax-deferred balances. Kathy D. Ireland Associate Counsel Attachment (in .pdf format) Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 14354, or call the ICI Library at (202) 326-8304 and request the attachment for memo 14354. 1 See Institute Memorandum to Pension Committee No. 76-01 and Pension Operations Advisory Committee No. 76- 01, dated December 20, 2001.