Thrift Savings Plan Elective Deferral Limits for 2020

The Thrift Savings Plan (TSP) elective deferral limit for 2020 has changed to $19,500. The annual limit is set by the Internal Revenue Service (IRS) and represents the amount of income you may contribute to any tax deferred retirement plan, such as TSP.

Contributions to TSP are withheld each pay period. There are 26 pay periods in 2020. Employees electing contributions equally over 26 pay periods to reach the $19,500 limit should contribute $750 each pay period beginning with pay period 26 of 2019.

Reaching the IRS elective deferral limit before the end of the year significantly affects employees covered by one of the Federal Employees Retirement System (FERS) plans. If a FERS employee reaches $19,500 before the end of 2020, both employee and Agency Matching Contributions will cease. You will lose the maximum amount of Agency Matching Contributions in 2020.

As a reminder, TSP elections may be made at any time throughout the year. The TSP website offers an easy to use calculator for determining biweekly contributions. To access the calculator for TSP, click here.

If you will meet the deferral limit (contributing the maximum amount allowed by the Internal Revenue Code through regular TSP contributions or by contributing to an equivalent employer plan e.g. a 401k plan) and be age 50 or older in 2020, you are eligible to contribute up to $6,500 in additional TSP “catch-up” contributions over the $19,500 limit. Unlike regular TSP contributions, employees must make a new election each year for catch-up contributions. If you want your TSP catch-up contributions withheld from your first paycheck in 2020, you must make your election effective pay period 26 of 2019.

Employees may make changes to regular and catch-up TSP contributions anytime by accessing the (My EPP), or click here. All employees covered by the retirement systems, Civil Service Retirement System (CSRS and CSRS-Offset) and FERS (FERS-RAE and FERS-FRAE), may contribute to the TSP.

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For additional information on Eligibility and Contributions for the TSP, click here.

Questions?

Please contact the HCAccess Help Desk by phone at 1–877–872–7990, by fax at 1-877-872-7993, or by email at this link. Live agents are available 7:00 a.m. to 10:00 p.m. Eastern Standard Time (EST) Monday through Friday, excluding Federal holidays, with additional hours for recruitment calls only from 11:00 a.m. to 3:00 p.m. EST Saturday and 12:00 p.m. to 4:00 p.m. EST Sunday. Visit our website at this link, and check out HCAccess online at this link.