FOR:  CIVILIAN PERSONNEL POLICY COUNCIL MEMBERS

FROM:  Defense Civilian Personnel Advisory Service Director, Ms. Michelle LoweSolis

SUBJECT:  Notice of TSP loan options for COVID-19-affected participants now available

ACTION:  Disseminate to Department of Defense (DoD) Human Resources Practitioners

REFERENCES:
   b)  TSP Temporary loan options for COVID-19 affected participants, dated June 15, 2020
       https://www.tsp.gov/whatsnew/Content/coronavirus/loans.html
   c)  CARES Act Loan Suspension Request Form (TSP-46), dated June 2020

BACKGROUND/INTENT:  The attached Newsflash (reference a) summarizes TSP updates on CARES Act temporary loan and withdrawal options (reference b). These temporary loan options are now available.

TSP participants affected by COVID-19 (as defined by the CARES Act, P.L. 116-136) may now apply for a TSP general purpose loan with an increased maximum loan amount (lesser of $100,000 or 100% of vested account balance). These participants may also temporarily suspend payments on TSP loans they currently have, and on loans taken between now and November 30, 2020, using TSP form TSP-46 as referenced above.

The deadline for applying for a loan with an increased maximum is September 18, 2020. The deadline for requesting suspension of loan payments is November 30, 2020. Loan payment suspensions will last for the rest of calendar year 2020.

APPLICABILITY:  Applies to current and new DoD civilian TSP participants.

POINT OF CONTACT:  Ms. Canary Scullark, Branch Chief, Benefits, Wage and NAF policy, canary.scullark.civ@mail.mil, 571-372-1644

Attachment(s):
As stated
Update on Thrift Savings Plan (TSP): CARES Act temporary loan and withdrawal options

The CARES Act offers temporary loan and withdrawal options to TSP participants affected by COVID-19. The loan options described below will be available no later than June 22, 2020, and that the withdrawal option described here will be available in mid-July 2020. Both the loan and withdrawal options are available to you only if you can certify that you meet one or more of the following criteria:

- You have been diagnosed with the virus SARS–CoV–2 or with coronavirus disease 2019 (COVID–19) by a test approved by the Centers for Disease Control and Prevention.
- Your spouse or dependent (as defined in section 152 of the Internal Revenue Code of 1986) has been diagnosed with such virus or disease by such a test.
- You are experiencing adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury (or the Secretary's delegate).

- **Increased maximum loan amount**
  The maximum loan amount is increased from $50,000 to $100,000, and the portion of your available balance you can borrow is raised from 50% to 100%. The deadline for applying for a loan with this increased maximum will be in September 2020.

- **Temporary suspension of loan payments**
  You may suspend your obligation to make payments on your TSP loan or loans for 12 months, which will also extend the term of your loan by 12 months. This applies to existing loans and loans taken in the remainder of 2020. You have until December 31, 2020, to have your payments suspended.

- **CARES Act Withdrawal**
  You may make a one-time withdrawal of up to $100,000 from a civilian or uniformed services account. For those still in federal service, the usual requirements that you be at least 59 ½ years old or certify that you meet specific financial hardship criteria are waived. This withdrawal will be eligible for the favorable tax treatment with all of the same options and restrictions. The deadline for applying for this withdrawal will be in December 2020.

For more information, please visit: [https://www.tsp.gov/whatsnew/Content/index.html](https://www.tsp.gov/whatsnew/Content/index.html)

Questions?

Contact: dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil