

115TH CONGRESS
1ST SESSION

H. R. 3031

To amend title 5, United States Code, to provide for flexibility in making withdrawals from a Thrift Savings Plan account, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2017

Mr. CUMMINGS (for himself and Mr. MEADOWS) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To amend title 5, United States Code, to provide for flexibility in making withdrawals from a Thrift Savings Plan account, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “TSP Modernization
5 Act of 2017”.

6 **SEC. 2. THRIFT SAVINGS PLAN ACCOUNT WITHDRAWAL**
7 **FLEXIBILITY.**

8 (a) POST-SEPARATION PARTIAL WITHDRAWALS.—

9 Section 8433(c) of title 5, United States Code, is amend-
10 ed—

1 (1) in paragraph (1)—

2 (A) by striking “and who has not made a
3 withdrawal under subsection (h)(1)(A) may
4 make one withdrawal” and inserting “may
5 make one or more withdrawals”; and

6 (B) by striking “as a single payment” and
7 inserting “in the same manner as a single pay-
8 ment is made”; and

9 (2) by adding at the end the following:

10 “(5) Withdrawals under this subsection shall be sub-
11 ject to such other limitations or conditions as the Execu-
12 tive Director may prescribe by regulation.”.

13 (b) LIMITATION ON RETURN OF PAYMENT RELATING
14 TO A CHANGE IN ELECTION.—Section 8433(d) of title 5,
15 United States Code, is amended—

16 (1) in paragraph (1), by inserting “, except that
17 in the case of an election to receive an annuity, a
18 former employee or Member may not change an elec-
19 tion under this section on or after the date on which
20 an annuity contract is purchased to provide for the
21 annuity elected by the former employee or Member”
22 after “this subchapter”; and

23 (2) in paragraph (2)—

1 (A) by striking “change an” and inserting
2 “return a payment that was made pursuant to
3 an”; and

4 (B) by striking “on or after” and all that
5 follows through “the former employee or Mem-
6 ber”.

7 (c) ELIMINATION OF AUTOMATIC ANNUITY IN AB-
8 SENCE OF ELECTION.—Section 8433(f) of title 5, United
9 States Code, is amended—

10 (1) by striking “(1) Notwithstanding” and in-
11 serting “Notwithstanding”;

12 (2) by striking “this paragraph” and inserting
13 “this subsection”; and

14 (3) by striking paragraph (2).

15 (d) ALLOWANCE OF MULTIPLE AGE-BASED IN-SERV-
16 ICE WITHDRAWALS.—Section 8433(h) of title 5, United
17 States Code, is amended—

18 (1) by striking paragraph (2);

19 (2) by redesignating paragraphs (3), (4), and
20 (5) as paragraphs (2), (3), and (4), respectively; and

21 (3) in paragraph (3), as so redesignated, by in-
22 serting “limitations or” before “conditions”.

23 (e) TECHNICAL AMENDMENT.—Section
24 8432b(h)(2)(A) of title 5, United States Code, is amended
25 by striking “section 8433(d), or paragraph (1) or (2) of

1 section 8433(h)” and inserting “subsection (d) or (f) of
2 section 8433”.

3 (f) REGULATIONS.—As soon as is practicable, as de-
4 termined by the Executive Director of the Federal Retire-
5 ment Thrift Investment Board, the Executive Director
6 shall prescribe such regulations as are necessary to carry
7 out the amendments made by this section.

8 (g) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect on the date on which the regu-
10 lations prescribed under subsection (f) take effect.

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