

Child Support Court Order— Model Language

Thrift Savings Plan

October 2023

Instructions for Using the Model Language Provided

General Information

This document contains model language for division of a Thrift Savings Plan (TSP) account pursuant to a Child Support Court Order (CSCO). Pages 2 through 4 contain explanations and instructions that apply to the model language on pages 5 through 10. If you follow the instructions carefully, your order should meet all qualifications for approval. Be sure to fill in every line wherever information is requested.

If you would like more information on the qualification process, see the Child Support Court Order Procedures document available at <https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>. Since there are a number of different ways to design a CSCO and provide for division of benefits, the Plan makes no representation as to which method is best for the parties involved.

Note: A Child Support Court Order must meet the requirements found at 5 U.S.C. § 8437(e)(3) and 5 C.F.R. part 1653, subpart B. The Thrift Savings Plan will honor any legal process issued by a competent authority, including a court or administrative agency of competent jurisdiction that meets these requirements. Use of the format below is not required.

Note: *Court issued CSCOs must be court-certified orders to be qualified.*

Instructions

1. Plan

In this section, specify the Thrift Savings Plan account that will be used to assign the benefits payment.

If the participant has both a civilian and uniformed services TSP account, the legal process or order must expressly identify the account to which it relates. Indicate in the checkboxes in Section 1 whether funds should be garnished from multiple accounts.

2. Participant

In this section, identify the participant whose benefits are being assigned. Fill in the following information about the participant:

- Complete name
- Current mailing address (including ZIP code)
- Last 4 Digits of Social Security number

3. Payee

In this section, identify the payee to whom the benefits are being assigned. Please fill in the following information about the payee:

- Complete name
- Current mailing address (including ZIP code)
- Social Security number
- Relationship to participant
- Custodial parent's name

Note: For privacy of information purposes, you may choose to provide addresses and Social Security numbers, on an attached document which is cross-referenced in the Child Support Court Order. If an attached document is used for this purpose, the order must specifically refer to the attachment or the submission will be denied.

4. Definitions

The model language includes some defined terms with which you may not be familiar. These terms will be used throughout the order.

5. Benefit Payable to the Payee

In this section, specify the dollar amount of the vested account balance to be paid to the payee. The order must specify whether the entitlement should be adjusted for earnings and losses.

6. Form of Payment

This section describes the intended form of payment to the payee. Plan benefits are usually paid immediately in a lump-sum cash distribution.

7. Commencement

This section states when payment of benefits to the payee will begin. Typically, the plan permits payment to begin as soon as administratively possible following the determination that the order has been qualified. Payments shall be made payable to the child support agency or custodial parent/guardian on behalf of the payee.

Please provide the address of the child support agency where payments should be sent. Also, to ensure that the participant is properly credited for his/her child support obligation, please provide the participant's name and child support case identification number.

8. Death Procedures

This section specifies procedures for payments of benefits under the CSCO in the event of death of either the participant or the payee.

9. Retention of Jurisdiction

This section outlines what is required of both parties if the Plan initially determines that the order is not qualified. It also states that the court (named earlier) expressly reserves jurisdiction over the child support proceeding involving the participant, the payee, and the participant's interest in the Plan.

10. Limitations

This section provides specific legal limits on the order.

11. Taxation

This section explains that any payments made to the payee, who is child or other dependent, will be taxable to the participant for the appropriate federal, state, and local taxes.

12. Constructive Receipt

This section outlines what the participant and the payee are required to do if either party receives benefits from the Plan that should have been paid to the other party.

13. Certification of Necessary Information

This section explains that the court may require the participant and the payee to certify in writing that the information on which this order is based is accurate.

Note: *Court orders must be court-certified to be qualified.*

END INSTRUCTIONS—MODEL LANGUAGE FOLLOWS

STATE OF _____ CASE # _____

COUNTY OF _____

IN THE _____ COURT OF _____

Petitioner

and

Respondent

Child Support Court Order

This order is entered pursuant to the authority granted under the applicable domestic relations laws of the state of _____.

1. Plan

This order applies to the Thrift Savings Plan (the "Plan").

- Civilian Account
- Uniformed Services Account
- Beneficiary Participant Account

2. Participant

The name, address, and Social Security number of the participant are as follows:

Name: _____

Address: _____

Social Security Number: See attached Addendum

3. Payee

The person named as payee meets the requirements of the definition of payee as set forth in Section 4 of this order. The payee's name, address, Social Security number, , and relationship to the participant are as follows:

Name: _____

Address: _____

Social Security Number: See attached Addendum

Relationship to Participant: _____

Custodial Parent's Name: _____

The payee or payee's custodial parent or guardian shall be responsible for notifying the Plan in writing of any changes in mailing address subsequent to the submission of this order.

4. Definitions

Date of Distribution– The date on which the awarded benefit is distributed to the payee.

Liquidation Date—The liquidation date is the date the amount assigned to the payee is paid from the participant's vested account balance to the payee in accordance with the terms of the CSCO. An assignment as of the liquidation date assigns a portion of the participant's current vested account balance.

Payee—The payee is the child or other dependent of a participant, or a state agency recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable under the Plan with respect to the participant.

Valuation Date—The valuation date is the date on which the participant’s vested account balance will be valued to determine the payee’s designated portion in accordance with the terms of this order. Accounts are valued on a daily basis.

Vested Account Balance—The participant’s vested account balance is the dollar amount the participant has a nonforfeitable right to receive from the Plan.

5. Benefit Payable to the Payee

Dollar Amount

This order assigns to the payee an amount equal to \$_____ of the participant’s vested account balance under the Plan (identified in Section 1) as of the liquidation date.

If the amount assigned to the payee exceeds the full vested value of the participant’s account (less the amount of any outstanding loans, prior distributions, or account losses) as of the valuation date preceding the liquidation date, the entire available balance will be assigned to the payee.

Form of Payment

The payee shall receive the portion of the plan benefits assigned to the payee in a single lump-sum payment. Such amount shall be adjusted for earnings and losses from the liquidation date to the date of distribution to the payee.

7. Commencement

The payee shall be eligible to receive payment as soon as administratively reasonable following the determination that this order has is qualified, for the benefit of the payee and shall be mailed to:

Child Support Unit: _____

Address: _____

To ensure that the participant is properly credited for his or her child support obligation, the payee’s distribution check should include the following:

Participant’s name: _____

Child Support case: _____

Identification number: _____

8. Death Procedures

If the participant predeceases the payee prior to payment of the payee's assigned benefits under the CSCO, the payee's benefits will not be affected. In the event of the participant's death, the account balance, which remains the property of the participant, will be payable to the participant's designated beneficiary or in accordance with Plan provisions. This order does not require the participant to name the payee as the beneficiary for the benefits not assigned to the payee.

In case of the death of the payee prior to distribution of the payee's benefits under the CSCO, the assigned benefits will be paid in accordance with Plan provisions. If the payee dies before payment is disbursed, the payment will be made to the estate of the payee unless otherwise specified by the court order.

9. Retention of Jurisdiction

This matter arises from an action for child support in this court under the case number set forth at the beginning of this order. Accordingly, this court has jurisdiction to issue this order.

In the event that this order is not a Qualified Child Support Court Order, both parties shall cooperate with the Plan in making any changes needed for it to become qualified. This includes signing all necessary documents. For this purpose, this court expressly reserves jurisdiction.

10. Limitations

Pursuant to Section 414(p)(3) of the Code and except as provided by Section 414(p)(4), this order:

- (i) Does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan;
- (ii) Does not require the Plan to provide increased benefits; and
- (iii) Does not require the payment of benefits to a payee that is required to be paid to another payee under another order previously determined to be a Qualified Child Support Court Order.

11. Taxation

The taxable portion of the distribution under a CSCO will be included in the participant's gross income and, as such, the participant will be required to pay the appropriate federal, state, and local income taxes on such distributions.

12. Constructive Receipt

If the Plan inadvertently pays to the participant any benefit that is assigned to the payee pursuant to the terms of this order, the participant will immediately reimburse the Plan to the extent the participant has received such benefit payments from the Plan within ten (10) days of receipt.

If the Plan inadvertently pays to the payee any benefit that is actually payable to the participant, the payee must make immediate reimbursement. The payee must reimburse the Plan to the extent they have received such benefit payments and shall forthwith pay such amount so received to the Plan within ten (10) days of receipt.

13. Certification of Necessary Information

All payments made pursuant to this order shall be conditioned on the certification by the payee and the participant to the Plan of such information as the Plan may reasonably require from such parties to make the necessary calculation of the benefit amounts contained herein.

Dated this _____ day of _____, _____

By the court:

Judge's Signature

Court Certification:

DO NOT FILE WITH COURT

Addendum to CSCO Personal Information Thrift Savings Plan

This attachment is not required to be filed with the court. This attachment should be included with the order when it's delivered to the plan administrator. This information is required to process the CSCO.

Participant:

Name: _____

Last 4 Digits of Social Security Number: _____

Payee:

Name: _____

Social Security Number: _____

Benefit processing requires the Social Security number of the payee. Failure to provide this information prohibits the benefit record keeper from establishing a separate benefit for the payee, which will prevent distribution of funds to the payee. As such, orders that do not contain this information, either in the order itself or in an addendum, will not be qualified.

DO NOT FILE WITH COURT