

Child Support Court Order—Procedures

Thrift Savings Plan

October 2023

Helpful Hints

Does the order relate to state domestic relations law?

See Section II: Creating a CSCO. The order must contain a statement that it is issued by a court or administrative agency of competent jurisdiction in any of the 50 United States, the District of Columbia, or a territory or possession of the United States, by a court in a foreign country with which the United States has entered into an agreement to honor such orders, or by an official, pursuant to an order of such a court or administrative agency of competent jurisdiction or pursuant to State or local law .

Does the order clearly state that it applies to the retirement benefit plan of the participant?

The order must specify each benefit to which it applies; it must name Thrift Savings Plan and specify whether the benefit is to be paid from the civilian, uniformed services, or beneficiary participant account of the participant.

Does the order specify the name and last known address of the participant and payee?

The order must contain this information or be accompanied by an attachment that provides this information. The Security number of the payee is also required to establish the account if the payee is not an agency.

Does the order specify the benefit to be paid to each payee as a fixed dollar amount?

The order must specify a fixed dollar amount to be paid from the participant's account.

Does the order specify the manner of payment and the time at which the payments shall commence to be paid to each payee?

The entire amount of the a court order payee's entitlement must be disbursed at one time. A series of payments will not be made, even if the court order provides for such a method of payment. Payment will be made as soon as administratively reasonable following qualification.

Does the order meet the survivorship procedures established for the plan?

A beneficiary for the payee can't be named in the order. If the payee dies before a payment is disbursed, payment will be made to the estate of the payee, unless otherwise specified by the court order.

Does the order meet taxation language IRC rules?

If the payee is a spouse or former spouse, the payee will be taxed on any distributions.

If the payee is a child, the participant will be taxed.

Is the order a court-certified document or was it issued by an administrative agency?

If the order is a court order, it must be signed by the judge and have a clerk certification stamp or seal. If document is a legal process, it must be issued by an administrative agency and signed.

Questions?

Call Thriftline Participant Care Center at 1-877-968-3778 or 1-404-233-4400 for international callers between 7 a.m. to 9 p.m. EST and request a transfer to the Court Order Center Team or email us at courtorder@tsp.gov. You will receive a response within two business days.

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I. Child Support Court Order Overview

What's a Child Support Court Order?

A Child Support Court Order (CSCO) is a writ, order, summons, or other similar process in the nature of a garnishment, which is brought to enforce a participant's legal obligations to pay child support or alimony currently. It recognizes the right of the following individuals (referred to as "payees") to receive all or part of the participant's account balance in the Thrift Savings Plan.

- Spouse
- Former spouse
- Child
- Other dependent of the participant

A CSCO must be qualified before any payments are made to a payee.

II. Creating a CSCO

Considerations Before Seeking a CSCO

Before starting the process of seeking a CSCO, it's important to learn the following information:

- Is the participant entitled to a benefit under the Thrift Savings Plan?
- If you're a TSP participant, you can call the Thriftline Participant Care Center at 1-877-968-3778 or 1-404-233-4400 for international callers between 7 a.m. to 9 p.m. EST and request a transfer to the Court Order Center Team or email us at courtorder@tsp.gov. You will receive a response within two business days.
- All other parties can work with the participant or the participant's attorney for participant-specific information. Sometimes it may be necessary to subpoena the information from the FRTIB.
- The participant can be restricted from retirement plan activity, including taking a loan or withdrawal once the Court Order Center receives a court order.

Your Steps for Creating a CSCO

There are many ways to draft the terms of a CSCO. FRTIB's model language form is what it considers acceptable for a CSCO if the required information is accurately completed. However, using FRTIB's model language form isn't required.

Dividing retirement benefits in alimony or child support proceedings involves complex matters, legal issues, and tax consequences. You may want to consult with an attorney or financial professional to best handle your case.

Follow the steps below (either using the model language form or creating your own) to complete a Child Support Court Order that meets FRTIB's CSCO requirements.

Using Model CSCO Language Form

1. Complete the model language form without changing or adding language.
2. Have your order signed by a judge.
3. Obtain court-certified copy of the order from the clerk of the court. See details about **court-certified copies** below.
4. Send the court-certified order to:

TSP Court Order Center
C/O Broadridge Processing

PO Box 120
Newark, NJ 07101-0120

5. Alternatively, orders may be uploaded to our Court Order Center website at:
<https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>

Creating Your Own Form

1. Complete a draft (not signed by a judge) of your Child Support Court Order, making sure it satisfies all FRTIB's CSCO requirements outlined later in this document.
2. Send the draft order to:

TSP Court Order Center
C/O Broadridge Processing
PO Box 120
Newark, NJ 07101-0120

Alternatively, orders may be uploaded to our Court Order Center website at:
<https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>

3. If you're notified that the draft order is preapproved, obtain a court-certified copy of the order from the clerk of the court and mail it to the address in Step 2. See details about **court-certified copies** below. Both draft and court-certified orders may be submitted to us by uploading them onto our Court Order Center website linked above.
4. If the draft was denied, you'll need to make the necessary revisions based on the reasons stated in the Denial Notice and resubmit your order to the address in Step 2.

Court-Certified Copies

A court-certified order is signed or stamped by the judge or other court official and has a stamp or seal from the clerk of the court stating the order is a certified copy. A photocopy or a faxed copy of a court-certified order is acceptable for qualification requirements.

What Happens with Your Order?

After the order is received, the Court Order Center will:

- Restrict the participant's benefit activity, as outlined on page 7;
- Review the order to ensure that it meets all the qualification requirements;
- Notify all parties within 20 calendar days of receiving the order whether it meets all qualification requirements: and
- If the order is qualified, direct the TSP record keeper to establish separate benefits for the payee.

General Requirements for CSCO Approval

There are ten general qualification requirements that a CSCO must meet. In addition, the order must satisfy FRTIB's **CSCO requirements** as described in the last sections of this document. Otherwise, the order will be **denied**. The order must:

1. Be a court order, judgment, decree (certified and signed by a judge or other state-approved court official), or legal process (issued by an administrative agency);
2. Relate to the alimony payments of a spouse or former spouse, or to the support of a child or other dependent of a Thrift Savings Plan participant;
3. Contain a statement that the order is issued pursuant to a state domestic relations law;
4. Clearly identify the plan name – Thrift Savings Plan and specify the participant's account if there is more than one;
5. Include the following information for the participant and payee:
 - Name
 - Last known mailing address
 - Last 4 digits of the participant's Social Security number and full Social Security number of the payee if not an agency;
6. Describe the fixed award amount to be paid and when to calculate the award;
7. Not require the plan to pay more benefits than the participant has earned;
8. Not require the plan to provide any benefit not otherwise provided by the plan; and
9. Not require payments to a payee that are already required to be paid to another payee under a previously issued CSCO.

III. Benefit Restrictions on Participant's Plan

Placing Benefit Restrictions

The participant's benefit activity will be restricted when the Court Order Center receives one of the following:

- Draft Child Support Court Order
- Court Order
- Legal Process

The TSP administrator will start the process to prevent the participant from withdrawing money, which otherwise may be payable to the payee if the order is approved.

The restrictions last until the order is reviewed. If the order is not qualified or is a draft, the restrictions will be lifted. The participant will be able to change investment choices and contribution amounts during the restriction period. However, none of the following account activities will be allowed by the participant during the restriction period:

- Distributions
- Loans
- Withdrawals

Removing Benefit Restrictions

When a court order, legal process, or draft order is on file, account restrictions may be removed when any of the following events occurs:

- A CSCO qualifies and payment is made to the payee.
- A subsequent court-certified order or legal process is received that cancels, vacates, or supersedes the order or legal process that caused the restriction to be placed on the plan, unless the vacating or superseding order or legal process requires a restriction on the plan
- As soon as practicable after the TSP issues a decision letter informing the parties that the order to pay from the account is not a qualifying legal process.

Note: Any new order or legal process received after a restriction has been removed will begin a new restriction period if the new order or legal process requires a restriction on the plan.

IV. How Death May Affect a CSCO

What Happens if a Participant or Payee Dies

- If a participant dies before the record keeper receives the order, the order may still be submitted for the CSCO review process.
 - If survivor benefits have already been paid prior to the order being received, the Court Order Team will deny any order submitted as no further benefit is available.
- If a participant dies after the Court Order Center receives an order, we'll continue the CSCO review process.
- If a payee dies before or after the Court Order Center receives an order, payment will be made to the estate of the payee, unless otherwise specified by the court order.

Payment pursuant to a qualifying legal process will be made in accordance with § 1653.5. (h). If the payee dies before a payment is disbursed, payment will be made to the estate of the payee, unless otherwise specified by the court order. If the participant dies before payment is made, the order will be honored so long as it is submitted to the TSP record keeper before the participant's TSP account has been closed.

V. Defined Contribution Plan Requirements and Guidelines

The following are FRTIB requirements and guidelines that will be used to process a CSCO for the Thrift Savings Plan. If an order doesn't follow the requirements, it will be **denied**.

A CSCO processing fee of \$600 will be charged to the participant's account upon receipt of the initial draft or court executed order.

Benefit Assignment

- The order must provide a reasonably clear reference to the "Thrift Savings Plan," "TSP," or "Thrift Plan," otherwise the order will be denied.
- If the participant has both a civilian TSP account and a uniformed services TSP account, the court order must expressly identify the account to which it relates.
- Orders may award a benefit from a beneficiary participant account and must expressly state that the award relates to the beneficiary participant account.
- The assignment to the payee must be a dollar amount of the participant's account balance as of a valuation date.
- The order may not assign any portion of a participant's nonvested account balance.
- The benefit can't be defined as a portion of the increase in value between two dates, or as a percentage of the account balance.
- The valuation date can't be a future date (unless the future date is defined as the liquidation date).
- The assignment to the payee can't exceed 100% of the participant's account balance as of the valuation date.
- The order must specify a valuation date; if the order doesn't specify a valuation date, the payee's benefit will be valued 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.
- The order can include or exclude earnings and losses from the valuation date to the liquidation date.
- If the order doesn't address earnings and losses, the payee will not receive earnings and losses between the valuation date and the liquidation date.
- If the order includes earnings and losses, earnings and losses will be calculated according to plan provisions.

- If earnings are awarded and a rate is specified, the rate must be expressed as an annual percentage rate or as a *per diem* dollar amount added to the payee's entitlement.
- The benefit will be awarded pro rata across all funds and contribution sources.
- Mutual Fund Window funds will be awarded if there are insufficient funds in the participant's core funds. Core funds are depleted first and then Mutual Fund Window funds are liquidated if needed to cover the awarded amount.
- The order can't give the payee the responsibility for repaying the participant's outstanding loan.

Form of Payment and Timing of Receiving Benefits

- After the order is qualified, the benefit assigned to the payee will be established in a separate account or paid directly to an agency.
- The payee is eligible for payment as soon as administratively reasonable following qualification.

Survivorship

- After the order is qualified, the death of the participant or the payee won't impact the amount assigned to the payee.
- If the payee dies before a payment is disbursed, payment will be made to the estate of the payee, unless otherwise specified by the court order.

Taxation

For purposes of Sections 402 and 72 of the Code, any payee who is the spouse or former spouse of the participant shall be treated as the distributee of any distributions or payments made to the payee under the terms of this order, and, as such, will be required to pay the appropriate federal, state, and local income taxes on such distributions. Participant shall be responsible for the appropriate federal, state, and local income taxes on distributions to a child payee pursuant to a child support order.

VI. Changing a Previously Approved CSCO

What a Revised Order Must Indicate

Any order attempting to change or replace an existing CSCO—in addition to meeting all the CSCO requirements—must:

- Specifically state that it **amends** or **supersedes** the previously qualified order; and
- Provide a way to identify the previous CSCO, such as a date when it was signed by the court.

Send the order to:

TSP Court Order Center
C/O Broadridge Processing
PO Box 120
Newark, NJ 07101-0120

Alternatively, orders may be uploaded to our Court Order Center website at:

<https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>

General Information on Special Situations

If the payee has already requested a total distribution, the revised order may only award the payee an increased benefit. If the revised order seeks a decreased benefit for the payee, the order will be denied.

VII. Canceling a Previously Approved CSCO

What an Order Must Indicate

Any order attempting to cancel an existing CSCO must:

- Specifically state that it **nullifies** or **vacates** the previously qualified order.
- Provide a way to identify the previous CSCO, such as a date when it was signed by the court.

Send the order to:

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C/O Broadridge Processing
PO Box 120
Newark, NJ 07101-0120

Alternatively, orders may be uploaded to our Court Order Center website at:

<https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>

General Information on Special Situations

If the payee has already requested a total distribution under a CSCO, the canceling order will be denied.

VIII. Awarding an additional benefit

What an Order Must Indicate

Any order attempting to assign an additional benefit in addition to a previously qualified order:

- Specifically state that it **is in addition to** the previously qualified order.
- Provide a way to identify the previous CSCO, such as by a date when it was signed by the court.

Send the order to:

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Newark, NJ 07101-0120

Alternatively, orders may be uploaded to our Court Order Center website at:

<https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>

IX. Contact Us

Where to Send an Order

Send all draft and court-certified orders to:

TSP Court Order Center
C/O Broadridge Processing
PO Box 120
Newark, NJ 07101-0120

Alternatively, orders may be uploaded to our Court Order Center website at:

<https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>

How to Correspond With Us

If you have a question or need more information, send an e-mail message to courtorder@tsp.gov, and we'll respond to you within two business days. Include the following information:

- Your name
- Reference to Thrift Savings Plan including the participant's name
- Last four digits of the participant's Social Security number

For your own security, don't include personal and confidential information (such as a full Social Security number or your order) in the e-mail, except for the information we've requested.

You can get more information on our Court Order Center website at:

<https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm>.

X. Glossary

Definition of CSCO-Related Terms

Account balance—The dollar amount in the participant's Thrift Savings Plan account.

Benefit commencement date—The date on which the participant is scheduled to receive or actually begins receiving benefits from the Thrift Savings Plan.

Child Support Court Order— Any judgment, decree, or order (including an approval of a property settlement agreement, divorce decree, Joinder, restraining order, draft CSCO or a court certified order) that relates to the provision of child support or alimony payments to a spouse, former spouse, child, or other dependent of a participant and that is made pursuant to a competent authority, including a court or an administrative agency of competent jurisdiction in any state, territory or possession of the United States; a court or administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement that requires the United States to honor the process; or an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction pursuant to state or local law.

CSCO Processing Fee—A fee charged to the participant for the review and processing of an order.

Date of distribution— The date on which the awarded benefit is distributed to the payee.

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

Payee—Any spouse, former spouse, child or other dependent of a participant who is recognized by a CSCO as having a right to receive all or a portion of the participant's retirement benefits payable under the Plan.

Order— An order or legal process is defined as either a writ, order, summons, or other similar process in the nature of a garnishment, which is brought to enforce a participant's legal obligations to pay child support or alimony currently.

Valuation date—The date on which the participant's benefit is valued to determine the payee's award.

Vested account balance—The dollar amount of the participant's account balance in the Thrift Savings Plan account that the participant has the right to keep after ending employment with the federal government.