

Impact of FFCRA Leave on Retirement and TSP

OPM has provided official guidance that Family First Coronavirus Response Act (FFCRA) Leave is not eligible for Retirement and TSP deductions. Any deductions withheld from employee pay for TSP or Retirement as a result of FFCRA leave will be refunded to the employee in PP 20-2020, retroactive to April 1, 2020. Employees wishing to keep their Retirement and TSP contributions should contact their supervisor to request an adjustment to move their FFCRA leave to Annual or Sick leave. These adjustments must be entered in AdjustPay before September 11, 2020 to prevent the refund of Retirement and TSP deductions.

Retirement

- Retirement deductions will be refunded based on the appropriate FERS/CSRS rate and amount of FFCRA Leave gross pay.
- Retirement refunds will not impact the employee's creditable service time towards retirement eligibility.
- Retirement refunds will not impact annuity amounts for standard full-time career employees.
- Retirement refunds may impact an employee's annuity *IF* the FFCRA was taken during the employee's High-3 years *AND* the employee's annuity will be calculated based on retirement deductions (typically part-time employees and those receiving higher level pay during their High-3 years).

TSP (Traditional and Roth)

- Percentage-based deductions will be refunded based on the corresponding percent of the FFCRA Leave gross pay.
- Dollar amount deductions will be refunded only if there is insufficient eligible basic pay to keep the deduction after the FFCRA Leave gross pay is removed.
- 50+ Catch Up contributions will be refunded only if there is insufficient eligible basic pay to keep the deduction after the FFCRA Leave gross pay is removed.
- Agency 1% contributions will be removed based on the FFCRA Leave gross pay.
- Agency Matching contributions will be removed based on the amount of the deduction refunded to the employee.
- Refunds of pretax deductions will have taxes withheld at the time the money is refunded to the employee.

Examples of different TSP election scenarios:

<p>Employee had \$2,000 basic pay, all of which was FFCRA leave. Refunds will be processed for the full \$2,000 gross pay,</p> <ul style="list-style-type: none">• 10% election: \$200 will be pulled back from the employee's TSP account and refunded to the employee, minus any applicable taxes.• \$300 election: \$300 will be pulled back from the employee's TSP account and refunded to the employee, minus any applicable taxes.• \$50 TSP Catch Up election: \$50 will be pulled back from the employee's TSP account and refunded to the employee, minus any applicable taxes.• Agency 1%: \$20 will be pulled back from the employee's TSP account.• Agency Matching: \$80 will be pulled back from the employee's TSP account.	<p>Employee had \$2,500 basic pay, of which \$1,000 was FFCRA leave and \$1,500 non-FFCRA. Refunds will be processed for \$1,000 gross pay.</p> <ul style="list-style-type: none">• 10% election: \$100 will be pulled back from the employee's TSP account and refunded to the employee, minus any applicable taxes.• \$300 election: There is sufficient non-FFCRA basic pay, so the \$300 deduction will remain.• \$50 TSP Catch Up election: There is sufficient non-FFCRA pay, so the \$50 TSP Catch Up deduction will remain.• Agency 1%: \$10 will be pulled back from the employee's TSP account.• Agency Matching: \$40 will be pulled back from the employee's TSP account.
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