

<p style="text-align: center;"><b>SUMMARY OF MAJOR CHANGES TO DOD 7000.14-R, VOLUME 7A, CHAPTER 51 “SAVINGS PROGRAMS”</b></p> <p style="text-align: center;"><b>Substantive revisions are denoted by a ★ preceding the section, paragraph, table or figure that includes the revision</b></p>		
<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>EFFECTIVE DATE</b>
510101 Bibliography	Interim change (IC 43-01) allows members to participate in the Savings Deposit Program (SDP) when they are on duty in certain designated area.	November 1, 2001
5110 Bibliography	IC 27-02 incorporates the Thrift Savings Plan.	January 1, 2002
510303	IC 38-02 allows an agent with a special power of attorney to make cash deposits into the SDP.	August 1, 2002
510206 Table 51-1	IC 14-03 expands eligibility to the SDP to certain members serving in assignments in support of Operation Enduring Freedom.	February 1, 2003
510303 Bibliography	IC 04-05 modifies IC 38-02 allowing an agent with a power of attorney to make cash deposits into the SDP.	February 3, 2005

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## CHAPTER 51

SAVINGS PROGRAMS★5101 SAVINGS DEPOSIT PROGRAM (SDP)

For the purpose of this chapter, the following definitions apply:

★ 510101. DefinitionsA. Geographic Areas

1. Persian Gulf Area. Arabian Gulf area as designated in Figure 10-1.

2. Operation Joint Endeavor Area. The area of operations is the total land area of Bosnia-Herzegovina, Croatia, Serbia, Montenegro, Slovenia, Macedonia, Hungary and the air space thereover, or the waters of the Adriatic Sea north of 40N; plus forces operational control/tactical control (OPCON/TACON) to Supreme Allied Commander, Europe (SACEUR) for the purpose of executing Operation Joint Endeavor (e.g., SOCIFOR, DECISIVE EDGE, and DETERMINED EFFORT).

3. Operation Joint Guard and Operating Joint Forge Area. The area of eligibility consists of the total land area of Bosnia-Herzegovina, Croatia, Serbia, Montenegro, Slovenia, Macedonia, Hungary, and the airspace thereover, or the waters of the Adriatic Sea north of 40 degrees N.

4. Operation Enduring Freedom. The area of eligibility consists of the total land area of Afghanistan, Pakistan, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, the waters consisting of the Red Sea, Gulf of Aden, Gulf of Oman, and Arabian Sea (portion north of 10 degrees north latitude and west of 68 degrees east longitude), or in the air space there over. Effective February 1, 2003 the area of eligibility was expanded to any area that has been designated a combat zone or an area designated in direct support of a combat zone. See paragraph 510207.

B. Permanent Duty Assignment. For the purposes of this chapter only, effective July 1, 1991, any active duty assignment that contemplates duty in the designated area as a permanent change of station (PCS) or for more than 30 days on temporary additional duty (TAD) , temporary duty (TDY), or with a deployed ship or unit.

C. Unallotted Current Pay and Allowances. The amount of money a member is entitled to receive on the payday immediately before the date of deposit, less authorized deductions and allotments (e.g., for dependents or insurance). Pay and allowances include special continuation pay, reenlistment bonus, travel allowance on discharge, and pay and allowances for unused accrued leave. Advance pay and travel allowance on PCS and temporary duty may not be deposited.

D. Vietnam Conflict. The period beginning February 28, 1961, and ending on May 7, 1975.

E. Persian Gulf Conflict. The period beginning on January 16, 1991, and ending on the date thereafter prescribed by presidential proclamation or by law.

## 5102 AUTHORITY AND ELIGIBILITY

510201. Vietnam Conflict. The Act of August 14, 1966 (reference (cy)), authorized members of the Uniformed Services who were serving on a permanent duty assignment outside the United States, or its possessions, to deposit their “unallotted current pay and allowances” for savings purposes. Amounts up to \$10,000 could be deposited with interest accrual at the rate of 10 percent per annum. This program was phased out effective June 30, 1974, with the exception of accounts of members continued in a missing status resulting from service during the Vietnam Conflict.

510202. Persian Gulf Conflict. Members of the Armed Forces (a) serving outside the United States or its possessions under arduous conditions (as determined by the Secretary of Defense) in connection with the Persian Gulf Conflict (e.g., Operation Desert Shield, including Desert Storm) or (b) on permanent duty assignment outside the United States or its possessions in support of a contingency operation (as defined in the Definitions) are authorized to make deposits of unallotted current pay and allowances and earn interest. For specific eligibility to make deposits see Table 51-1.

510203. Operation Joint Endeavor. Effective January 1, 1996, members serving outside the United States or its possessions on Operation Joint Endeavor became authorized to participate in the SDP by making deposits of unallotted pay and allowances payable after January 1, 1996. This includes units reassigned to the area of operations from outside the United States such as ships or mobile units.

510204. Operation Joint Guard. Effective January 1, 1997, members of the Armed Forces serving on Operation Joint Guard outside the United States or its possessions became authorized to make deposits of unallotted current pay and allowances payable after January 1, 1997.

510205. Operation Joint Forge. Effective June 20, 1998, any member assigned to Operation Joint Forge became authorized to participate in the SDP, provided that he or she had served for at least 30 consecutive days or at least 1 day in each of 3 consecutive months in the Operation Joint Forge area of eligibility.

★ 510206. Operation Enduring Freedom

A. Effective November 1, 2001, any member assigned to Operation Enduring Freedom became authorized to participate in the SDP, provided that he or she had served for at least 30 consecutive days or at least 1 day in each of 3 consecutive months in the Operation Enduring Freedom area of eligibility.

B. Effective February 1, 2003, any member serving in an assignment outside the United States or its possessions in support of Operation Enduring Freedom in an area that has been designated a combat zone or is in direct support of a combat zone is eligible to participate in the SDP after the member has served in that assignment for at least 30 consecutive days or at least one day for each of 3 consecutive months.

510207. Member In a Missing Status. The Secretary of the Military Department concerned (or designee) may, in the interest of a member who is in a missing status (as defined in the Definitions) or his dependents, initiate, stop, modify, and change allotments for deposit of unpaid pay and allowances accruing in a missing member's pay account, and authorize withdrawal of deposits made under this chapter, even though the member had an opportunity to make deposits and elected not to do so. Compute interest as prescribed by this chapter, from January 1, 1991, or the day the member enters a missing status, whichever is later. The \$10,000 limitation on the amount that interest is payable does not apply to deposit accounts of members in a missing status.

Examples:

A. A member entered a missing status on February 1, 1991. Unpaid pay and allowances have been accruing in his pay account at the rate of \$100 per month since that date. An account was opened for the member on May 1, 1991, with an initial deposit of \$300 (February, March, and April). His account was credited with \$10 per month on June 1, 1991, and the first day of each month thereafter while he remains in a missing status, or until modified, stopped, or repaid at the direction of the Secretary of the Military Department concerned (or designee). Interest accrued from February 1, 1991.

B. A member entered a missing status on February 18, 1991. The amount of unpaid pay and allowance due the member on the payday following February 18, 1991, determined the amount of the initial deposit. The member's account was opened on March 1, 1991, with the initial deposit and his account was credited with his unallotted pay and allowances monthly on the first day of each month thereafter as prescribed in example A, above. Interest accrued from February 18, 1991.

5103 LIMITATIONS ON AMOUNTS OF DEPOSITS

510301. Deposits may not be more than the amount defined as unallotted current pay and allowances in paragraph 510103, above. When, however, the member can establish to the satisfaction of his commanding officer that he or she was unable to make a deposit in the normal manner, unallotted pay in excess of current pay and allowances, may be deposited.

Members may not accumulate back pay prior to departure to a covered geographic area or on permanent duty assignment outside the United States or its possessions in support of a contingency operation (as defined in the definitions) for deposit after arrival in the area. When members arrive in a covered geographic area, or on permanent duty assignment outside the United States or its possessions in support of a contingency operation (as defined in the definitions), they may deposit the amount they could have, or did, accrue during the month of arrival, less authorized deductions. Members who are paid twice monthly may combine pay accrued at midmonth and pay accrued at end of month, or combine end-of-month pay with pay accrued on the following midmonth payday for a single deposit, provided the total amount deposited in a one month period does not exceed the amount they are entitled to be paid for one month. The maximum amount on which 10 percent interest is computed is \$10,000 (principal and accrued interest combined). The \$10,000 limitation on the amount that interest is payable does not apply to deposit accounts of members in a missing status.

510302. Active duty officers and enlisted members may make deposits into the SDP by allotment. Such allotment shall be processed in accordance with the procedural instructions of the Military Service concerned. However, the restrictions of this chapter are applicable when starting this type of allotment.

★ 510303. Power of Attorney. An agent with a power of attorney from the member may make deposits, either by allotment or by cash, into the SDP on behalf of the member, if the power of attorney states the authority to establish, change, or stop allotments. When accepting a cash deposit from the agent on the member's behalf, the disbursing officer must ensure that the amount deposited does not exceed the member's unallotted pay and allowances for the period involved.

#### 5104 INTEREST ON DEPOSITS

510401. Accrual of Interest. See Table 51-2.

510402. Computation of Interest. Deposits made on or before the 10th of the month accrue interest from the 1st of the month. Deposits made after the 10th of the month accrue interest from the first day of the following month. The effective date of deposit is the date the deposit is made to the disbursing officer, finance officer, or any other designated officer of the Uniformed Service. Compute interest at the rate of 10 percent per annum, compounded quarterly, according to calendar quarter. Compute quarterly interest on the average quarterly balance on deposit. Ten percent is compounded quarterly on amounts less than \$10,000. Once \$10,000 is on deposit, simple interest will be computed on the \$10,000. No interest is paid on amounts exceeding \$10,000, except on amounts in the case of a member who is in a missing status.

510403. Taxability of Interest Paid. Interest paid on the amounts deposited into the SDP is taxable.

510404. Computing Average Quarterly Balance

A. If there were no emergency withdrawals during the quarter, determine the average quarterly balance by adding amounts on deposit on the 10th day of each month of the quarter, and divide the total by three.

Example 1

<u>Date</u>	<u>Deposits</u>	<u>Amount On Deposit</u>	<u>On 10th Day of</u>
Jan 5	\$20.00	\$ 20.00	Jan
Feb 3	20.00	40.00	Feb
Feb 20	20.00		
Mar 10	20.00	<u>80.00</u>	Mar
		\$140.00	

\$140.00 divided by 3 = \$46.67 average quarterly balance.

Example 2

<u>Date</u>	<u>Deposits</u>	<u>Amounts On Deposit</u>	<u>On 10th Day of</u>
Jan	\$ 0.00	\$ 0.00	Jan
Feb 3	20.00	20.00	Feb
Feb 20	20.00		
Mar 3	20.00	<u>60.00</u>	Mar
		\$80.00	

\$80.00 divided by 3 = \$26.67 average quarterly balance.

B. Emergency withdrawals at any time during a quarter reduce the average quarterly balance on which interest accrues.

Example 1

<u>Date</u>	<u>Deposits</u>	<u>With- drawals</u>	<u>Amount On Deposit</u>	<u>On 10th Day of</u>
Apr 1	\$147.12	\$ 0.00		
	(Bal Fwd)			
Apr 3	20.00		\$167.12	Apr
			167.12	May
May 15	10.00		--	
Jun 4	30.00		--	Jun
Jun 15		\$80.00	<u>127.12</u>	Jun
			\$461.36	

\$461 divided by 3 = \$153.79 average quarterly balance.

C. Except for amounts on deposit in the case of a member who is in a missing



status, the maximum amount upon which 10 percent interest is payable is \$10,000 (principal and accrued interest combined).

Example 2

<u>Date</u>	<u>Quarterly Interest</u>	<u>Amount on Deposit</u>
Jan 10	-0-	\$10,000.00
Apr 1	250.00	10,250.00
July	250.00	10,500.00

510405. Special Determinations. See Table 51-1.

5105 CONDITIONS UNDER WHICH DEPOSITS, PLUS INTEREST, ARE REPAYED

See Table 51-3.

5106 PAYMENT OF INTEREST UPON FINAL SETTLEMENT OF DEPOSIT ACCOUNT

510601. General. Except when the 90-day limitation applies, interest will stop at the end of the month in which full repayment is made to the member or member's heirs.

510602. Ninety-Day Limitation Period After Eligibility to Make Deposits Terminates. In no case shall interest accrue for a period longer than 90 days (computed on a day-for-day basis of actual elapsed time) after the member's eligibility to make deposits terminates. For the Persian Gulf Conflict, the 90-day limitation period begins on the day after the member's entitlement terminates for Imminent Danger Pay (IDP) in the Persian Gulf area. Should the 90-day limitation period end on any day other than the last day of a month, interest will accrue through the last day of the preceding month. If the 90-day limitation period ends on the last day of a month, interest accrues for that month. In determining when the 90-day limitation period terminates, the last day of the month is February 28 (February 29 in leap year), the 30th of a 30-day month, or the 31st day of a 31-day month.

510603. Computation of Interest at 10 Percent Rate. Repay deposits, plus interest, under the conditions shown in Table 51-2. Compute interest at the rate of:

- 1 Month-1/12 of 10 percent or .00833
- 2 Months-2/12 of 10 percent or .01667
- 3 Months-(Full Quarter)-.025

Example 1: Member's Request

A member has \$355 (principal plus compounded interest as of June 30, 1991) on deposit when IDP terminates on July 30, 1991. He requested repayment on August 12, 1991. The member was repaid \$355 plus interest of \$5.92 for the months of July and August ( $.01667 \times \$355$ ) or \$360.92.

Example 2: Ninety-Day Rule

Same example as 1, above, except the member requested repayment on October 15, 1991. The member was repaid \$355 plus interest of \$8.88 for the months of July, August, and September ( $.025 \times \$355$ ) or \$363.88. Interest for October 1-15, 1991, was not allowed since the 90-day limitation period ended on October 12, 1991 (a day other than the last day of the month).

Example 3: Member Discharged

Same example as 1, above, except the member was discharged overseas for his or her own convenience on July 15, 1991. The member was repaid \$355 plus interest of \$2.96 for the month of July ( $.00833 \times \$355$ ) or \$357.96, assuming full repayment was in effect in the month of July.

Example 4: Member Dies

On March 8, 1991, the member had on deposit the maximum amount of \$10,000 (principal plus simple interest) and made no new deposits. While in the Persian Gulf area, the member died on November 15, 1991, and settlement of unpaid pay and allowances was made to member's heir(s) on December 15, 1991. The amount repaid was \$10,000 plus simple interest of \$833.33 for period March 1 through December 31, 1991 ( $.00833 \times 10$ ), or \$10,833.33.

5107 WITHDRAWAL OF DEPOSITS

510701. Emergency Withdrawals. Withdrawals may be made in an emergency only when the health or welfare of a member or his dependent(s) would be jeopardized if the withdrawal was not granted. Emergency withdrawals may be authorized by the member's commanding officer.

510702. Members in a Missing Status. Withdrawals may be made when directed by the Secretary of the Military Department concerned (or designee) when deemed in the best interest of the member, the member's dependent(s), or the U.S. Government.

510703. Discharge While Eligible to Make Deposits. Members eligible to make deposits who are discharged and immediately reenlist, extend their enlistments, or who are discharged to accept a commission may not withdraw their deposits.

510704. Accounts Which Have Reached \$10,000. In situations where the member's principal and interest on deposit reaches \$10,000, any amounts representing interest accruing in the account subsequent to that time which causes the \$10,000 total to be exceeded, may be withdrawn quarterly at the member's request.

#### 5108 APPLICATION TO INDEBTEDNESS OR FORFEITURE

Savings deposits and interest thereon are exempt from liability for member's debts except for levies issued by the Internal Revenue Service in problem cases. This includes any indebtedness to the U.S. Government or its agencies. Deposits are not subject to forfeiture by sentence of court-martial, and are not forfeited by desertion.

#### 5109 LIABILITY OF DISBURSING OFFICERS

A disbursing officer who fails to properly process a deposit into his account is liable for the amount of the deposit, plus interest, from the effective date of the deposit to date of withdrawal or repayment.

#### ★5110 THRIFT SAVINGS PLAN (TSP)

511001. General. TSP is a Government-sponsored retirement savings and investment plan. Congress established the plan as part of the Federal Employees' Retirement System Act (5 U.S.C. 8431-8440). Participation in the plan for military members was allowed by the National Defense Authorization Act for Fiscal Year 2000 as amended by the National Defense Authorization Act for Fiscal Year 2001. The plan offers tax deferral advantages similar to those offered by private corporations to their employees under 401(k) plans. The Federal Retirement Thrift Investment Board, which operates the plan solely for the benefit of the participants and their beneficiaries, administers the plan. The recordkeeper for the plan is the National Finance Center (NFC) in New Orleans, Louisiana. The NFC issues TSP bulletins providing necessary guidance relating to TSP operations.

#### 511002. Definitions

##### A. Member means:

1. A member of the Uniformed Services serving on active duty.
2. A member of the Ready Reserve in any pay status.

B. Basic pay means basic pay payable under 37 U.S.C. 204 or inactive duty pay compensation payable under 37 U.S.C. 206, which is paid at the rate of 1/30 of the basic pay authorized to a member of a Reserve Component who is not entitled to basic pay under 37 U.S.C. 204.

C. Military Services refer to the Uniformed Services as defined (see Definitions, Item 109).

511003. Participation

A. When to Begin TSP Deductions. Any eligible member may elect to participate in this plan starting October 9, 2001. A member may make the first election during the initial 60-day period beginning October 9, 2001 through December 8, 2001. Deductions for elections made during this initial period will begin the January 1, 2002 pay period.

1. Members who do not enroll during this initial 60-day period; will have two “open seasons” per year to enroll thereafter. The first “open season” following the initial 60-day period is scheduled for December 9, 2001, through January 31, 2002. Members can elect to start or change their elections during open seasons held each year (November-January and May-July). An election form can be submitted at any time during an open season, but contributions will not begin before the last full month of open season (the last month of each open season is called the election period.)

2. Members Join or Rejoin on or After December 8, 2001. Members who join a uniformed service on or after December 8, 2001, as well as those who rejoin following a break in service on or after December 8, 2001, will be able to elect to participate in the TSP within 60-days of joining the uniformed service. A member shall be deemed to have joined the uniformed service on the date the member first becomes eligible (or becomes eligible again for those members who rejoin following a break in service) to receive basic pay. The second day a member becomes entitled to basic pay will be considered day one of this 60-day window. If a member decides to participate in the TSP during this 60-day window, the member’s service must make the election effective no later than the first full pay period after the election is received.

3. Late Elections. When the Secretary concerned determines that a member was unable, for circumstances beyond the member’s control, to make a TSP election within the time limits prescribed by the Federal Retirement Thrift Investment Board and the Department of Defense, the Service may accept the member’s election within 30 calendar days after such circumstances have terminated. The member’s service must make the election effective no later than the first full pay period after the election is received and approved.

4. Member Transfers. When members transfer between components or branches of the Uniformed Services, their TSP contributions may be continued. The member will notify their gaining servicing organization of their existing TSP contribution rates in order to continue TSP contributions and or loan payments without interruption.

a. For Active to Reserve Transfers. A member may make a new election within 60 days of the transfer. Otherwise, the existing TSP election can be presented to the member’s gaining servicing office to continue TSP contributions and or loan payments without interruption.

b. For Reserve to Active Transfers. A member may make a

new election within 60 days of the transfer. Otherwise, the existing TSP election can be presented to the member's gaining organization to continue TSP contributions and or loan payments without interruption.

c. Transferring From One Branch of Service to Another Branch of Service. A member may make a new election within 60 days of the transfer.

B. The maximum amount a member may contribute may not exceed 7 percent of basic pay or inactive pay compensation for any pay period in calendar year 2002. No contribution for any given year may exceed the limitation under sections 402(g) and 415 of the Internal Revenue Code. The maximum amount a member may contribute out of basic pay in any pay period shall be increased in accordance with the following:

<u>Pay Period in Year</u>	<u>Maximum Percentage Allowable</u>
2002	7
2003	8
2004	9
2005	10
2006 and after	100

C. A member making contributions to TSP out of basic pay or compensation may also contribute any part of any special pay, incentive pay, or bonus that the member receives under 37 U.S.C. chapter 5. (See Figure 51-1.)

D. All TSP contributions must be made through payroll deduction. Lump-sum contributions for special, incentive and bonus payments are permitted only through payroll deductions. The member may elect a whole percentage between 1-100 percent for special, incentive and bonus entitlements. The total TSP contributions (to include basic pay) are not to exceed limitations under sections 402(g) and 415 (c) of the Internal Revenue Code.

E. The choice to stop contributing to TSP is permitted at any time. It is effective at the end of the pay period in which that election is accepted by the member's servicing activity. If basic pay contributions are terminated, TSP deductions for special, incentive and bonus pays will also be terminated with the same effective date.

511004. Matching Contributions. The Service Secretary may enter into an agreement with a member to make matching contributions to the Thrift Savings Plan for the benefit of the member if the member is in a specialty designated as critical to meet wartime or peacetime requirements. The member shall commit to serve on active duty in that specialty for a period of 6 years.

A. The Service Secretary will make these contributions for each pay period of the 6-year period that the member makes contributions.

B. Contributions are matched dollar for dollar for the first three percent of basic pay contributed per pay period, and the 50 cents on the dollar for the next two percent of

pay. Therefore, the member will not receive matching contributions for amounts contributed above 5 percent.

511005. TSP Loan Program

A. General. Under 5 U.S.C. 8433 (g), all TSP participants are eligible to obtain a TSP loan. Members may borrow only from their own contributions and earnings. The minimum amount a member can borrow is \$1,000. A member may have a total of two loans. The total outstanding loans cannot exceed \$50,000. When a member has both a civilian TSP account and a military TSP account, the maximum loan amount applies to the combined accounts and not to each account separately.

B. Types of Loans. Loans can be made for the following purposes:

1. Residential.
2. General purpose.

C. Interest Rate. The interest rate shall be the posted rate for the G Fund at the time that the loan application is received at the TSP Servicing Office. The rate is fixed at that level for the life of the loan, and the interest paid on the loan shall go back to the member's own TSP account and is not tax deductible.

D. Tax Exempt Amount. When a participating member has contributions that are made from tax exempt pay as well as from tax deferred pay, the loan principal will be made and repaid on a pro rata basis from these funds. For additional information, see TSP booklet on TSP Loans (January 2002).

511006. Breakage (Lost TSP Earnings) Due to Agency Error

A. Authority. 5 U.S.C. 8432a provides statutory authority for employing agencies to pay to the TSP amounts representing breakage (lost earnings) resulting from agency errors. If a member receives pay from which member contributions should have been deducted, but as a result of agency error, all or any part of those deductions were not made, then even if the member makes up those member contributions, the belated member contributions shall not be subject to lost earnings. The following are conditions that require payment of breakage:

1. Delayed or Erroneous Contributions When Member Received Pay

a. If a member receives pay, but as a result of an agency error all or any part of the agency matching contribution associated with that pay are not timely received by the TSP recordkeeper, the agency belated contributions shall be subject to breakage.

b. If a member receives pay where contributions were properly deducted but, as a result of an agency error, all or any part of the associated agency matching contributions were not timely received by the TSP recordkeeper, then the belated

contributions will be subject to breakage.

c. If a member receives pay where contributions were properly deducted but, as a result of an agency error all or any part of those member contributions were not timely received by the TSP recordkeeper, the belated contributions will be subject to breakage.

2. Agency Delay in Basic Pay, Special Pay, Incentive Pay and Bonus. Where, as the result of an agency error, a member does not timely receive all or any part of pay to which entitled, all such belated member contributions and agency matching contributions shall be subject to breakage.

3. Late Payroll Submissions. All contributions contained in a payroll submission received by the TSP recordkeeper more than one pay period after the pay date associated with that payroll submission shall be subject to breakage.

4. Loan Allotments. Loan allotments deducted from a member's pay but not timely received by the TSP recordkeeper due to agency error shall be subject to breakage.

B. Minimum Dollar Amount. Breakage on loan allotments and late contributions shall be calculated by the TSP system only for those contributions and loan allotments that are \$1 or more.

C. Agency Responsibility. The employing agency whose error caused a late or erroneous investment of money in the TSP is responsible for payment of any breakage resulting from that error. The paying office that submitted payment records or loan allotments that are subject to breakage is also responsible for submitting the appropriate breakage records relating to those submissions. The amount of breakage that is calculated shall be charged to the TSP clearing account of the submitting paying office. Where another employing agency caused the late or erroneous submission by the submitting paying office, the paying office that was charged for the amount of breakage calculated should seek reimbursement from the other employing agency.

D. Detailed Information on Breakages. For detailed information concerning the breakage (lost earnings) process, refer to TSP bulletins. The TSP bulletins are available on the Internet at <http://www.tsp.gov>.

<b>THRIFT SAVINGS PLAN ELECTION</b>		
<b>37 U.S.C. §</b>	<b>DoDFMR, Volume 7A, section, paragraph, or subparagraph</b>	<b>Bonuses</b>
302h	0601	Accession Bonus (Dental)
302j	070101	Accession Bonus (Pharmacy)
302d	2101	Accession Bonus For Registered Nurses
301b	20	Aviator Retention Bonus (Aviator Continuation Pay)
312a	1201	Bonus for Nuclear-Trained and Qualified Enlisted Members
308h	5704	Bonus for Reenlistment, Enlistment, or Voluntary Extension (Ready Reserve)
322		Career Status Bonus
317		Critical Acquisition Position Bonus
308a	0901	Enlistment Bonus
308f	090107	Enlistment Bonus (Army)
308c	570403	Enlistment Bonus (Selected Reserve)
308g	5704	Enlistment Bonus (Ready Reserve)
301e	0608	Multiyear Retention Bonus (Dental)
301d	0508	Multiyear Retention Bonus (Medical)
312b	1201	Nuclear Career Accession Bonus
312c	1203	Nuclear Career Annual Incentive Bonus
308i	570403.B	Prior Service Enlistment Bonus
308	0902	Reenlistment Bonus
308b	570402	Reenlistment Bonus (Selected Reserve)
308e	570404	Reserve Affiliation Bonus
323		Retention Bonus for Members Qualified in a Critical Military Skill
314	14	Special Pay for Enlisted Members Extending Duty at Designated Locations Overseas (See note 1)
318		Special Warfare Officer Retention Bonus
<b>37 U.S.C. §</b>	<b>DoDFMR, Volume 7A, section, paragraph, or subparagraph</b>	<b>Incentive Pay</b>
301a	2202	Aviation Career Incentive Pay
320	22	Career Enlisted Flyer Pay
301	240101.C	Hazardous Duty Incentive Pays
301a(1)	2201	Hazardous Duty Incentive Pay for Flying
301c	11	Submarine Duty
302b(a)(4)	0604	Additional Special Pay (Dental)
302(a)(4)	0503	Additional Special Pay (Medical)
302b(a)(5)	0603	Board Certified Pay (Dental)

★Figure 51-1. Thrift Savings Plan Election



<b>THRIFT SAVINGS PLAN ELECTION</b>		
<b>37 U.S.C. §</b>	<b>DoDFMR, Volume 7A, section, paragraph, or subparagraph</b>	<b>Special Pay</b>
302(a)(5)	0502	Board Certified Pay (Medical)
302c(d)	0509	Board Certified Pay for Non-Physician Health Care Providers
305a(a)	1801	Career Sea Pay
305a	1802	Career Sea Pay Premium
312	1202	Continuation Pay for Nuclear-Qualified Officers Extending Period of Active Service
308d	580107	Designated Unit Pay
302c(e)	0510	Diplomate Pay for Psychologists
303(b)	070303	Diplomate Pay for Veterinarians
304	11	Diving Duty
315	16	Engineering and Scientific Career Continuation Pay
316	19	Foreign Language Proficiency Pay
305	17	Hardship Duty Pay
310	10	Hostile Fire and Imminent Danger Pay
302(b)	0504	Incentive Special Pay (Medical)
302e	2102	Incentive Special Pay for Nurse Anesthetists
321		Judge Advocate Continuation Pay
302a(a)	070202	Regular Special Pay (Optometrists)
302b(h)	0606	Reserve Dental Officers Special Pay
302ab	070203	Retention Special Pay (Optometrists)
307	08	Special Duty Assignment Pay for Enlisted Members
307(d)	570401.E	Special Duty Assignment Pay (Guard and Reserve)
314	14	Special Pay for Enlisted Members Extending Duty at Designated Locations Overseas (note 2)
306	13	Special Pay for Officers Holding Position of Unusual Responsibility and of Critical Nature
302i	070102	Special Pay for Pharmacy Officers
302g	5803	Special Pay for Reserve Health Care Professionals in Critically Short Wartime Specialties
302h	0506	Special Pay for Reserve Medical Officers
303(a)	070302	Special Pay for Veterinarians
319	12	Surface Warfare Officer Continuation Pay
302(a)	0501	Variable Special Pay (Medical)
302b(a)(2)	0602	Variable Special Pay (Dental)

**NOTES:**

1. When paid annually, not to exceed \$2,000.
2. When paid monthly, not to exceed \$80 per month.

★Figure 51-1. Thrift Savings Plan Election (Continued)

<b>ELIGIBILITY FOR MAKING DEPOSITS IN THE SAVINGS DEPOSIT PROGRAM (SDP) (note 1)</b>			
<b>RULE</b>	<b>A</b>	<b>B</b>	<b>C</b>
	<b>If the member is</b>	<b>and the member</b>	<b>then member is eligible to make deposits in the SDP</b>
<b>1</b>	<p>serving outside the United States or its possessions under arduous conditions in connection with the Persian Gulf conflict (notes 2 and 3)</p>	<p>is serving on an active duty assignment for more than 90 days and is entitled to hostile fire pay/imminent danger pay (HFP/IDP) for the Persian Gulf area</p>	<p>(note 4).</p>
<b>2</b>		<p>is entitled to HFP/IDP for duty in the Persian Gulf area for 3 consecutive months (note 7)</p>	<p>for subsequent periods the member is also entitled to HFP/IDP for duty in the Persian Gulf area (notes 5 and 8).</p>
<b>3</b>		<p>is assigned to duty contemplating presence in the Persian Gulf area for a period of at least 30 days</p>	<p>for subsequent periods the member is entitled to HFP/IDP for duty in the Persian Gulf area (note 5).</p>
<b>4</b>	<p>serving outside the United States or its possessions in support of Operation Enduring Freedom</p>	<p>has served at least 30 consecutive days or at least 1 day in each of 3 consecutive months in the area of operations (see subparagraph 510101.D)</p>	<p>(note 12).</p>
<b>★5</b>		<p>has served at least 30 consecutive days or at least 1 day in each of 3 consecutive months in an area that has been designated as a combat zone or in direct support of a combat zone</p>	<p>for subsequent periods of service outside the United States or its possessions in support of a Operation Enduring Freedom. (note 13)</p>
<b>6</b>	<p>serving on permanent duty assignment (see paragraph 510101.B) outside the United States or its possessions in support of a contingency operation (as defined in Definitions) (notes 9, 10, and 11)</p>	<p>has served on an active duty assignment in the designated area for more than 30 days. (This includes units reassigned to the area of operations from outside the United States, such as ships or mobile units.)</p>	<p>for subsequent periods of service outside the United States or its possessions in support of a contingency operation (note 6).</p>
<b>7</b>		<p>is entitled HFP/IDP for duty in the designated area of the contingency operation for 3 consecutive months</p>	<p>for subsequent periods the member is also entitled to HFP/IDP for duty in the designated area of the contingency operation (note 6).</p>

★Table 51-1. Eligibility for Making Deposits in the Savings Deposit Program (SDP)

<b>ELIGIBILITY FOR MAKING DEPOSITS IN THE SAVINGS DEPOSIT PROGRAM (SDP) (note 1)</b>			
	<b>A</b>	<b>B</b>	<b>C</b>
<b>R U L E</b>	<b>If the member is</b>	<b>and the member</b>	<b>then member is eligible to make deposits in the SDP.</b>
<b>8</b>	in a missing status resulting from service during the Vietnam Conflict (note 2)		the member continues to be eligible for the SDP until the status ends.

**NOTES:**

1. Amounts deposited shall be accounted for in the same manner as public funds. The amount of the deposits is limited to “unallotted” current pay and allowances and will be in multiples of \$5.
2. The period concerned is contained in section 5101.
3. Members eligible to make deposits may continue to do so when on TAD or TDY, provided the account was started while the member was in the Persian Gulf area.
4. Applicable to deposits made before July 1, 1991. The amount of the deposits will be in multiples of \$5.
5. Applicable to deposits made on or after July 1, 1991.
6. Eligibility to make deposits will be determined on a month-by-month basis in accordance with guidelines issued by the Secretary of Defense.
7. See section 5101 regarding areas in the Persian Gulf Area that are no longer designated areas.
8. The amount of money that may be deposited will not be greater than the unallotted pay and allowances the member accrued on the paydays, during the month in which member qualified for hostile fire pay.
9. See subparagraph 510101.A.2 and paragraph 510203 for Operation Joint Endeavor effective date and eligibility criteria.
10. See subparagraph 510101.A.3 and paragraph 510204 for Operation Joint Guard eligibility criteria and effective date.
11. See subparagraph 510101.A.3 and paragraph 510205 for Operating Joint Forge effective date and eligibility criteria.
12. See subparagraph 510101.A.4 and paragraph 510206.A for Operation Enduring Freedom effective date and eligibility criteria.
- ★13. See subparagraph 510101.A.4 and paragraph 510206.B for Operation Enduring Freedom effective date and eligibility criteria.

**★Table 51-1. Eligibility for Making Deposits in the Savings Deposit Program (SDP)**

<b>SAVINGS DEPOSITS, SPECIAL DETERMINATIONS ON ACCRUAL OF INTEREST</b>			
<b>R U L E</b>	<b>A</b>	<b>B</b>	<b>C</b>
	<b>When an eligible member has a savings deposit account in effect and member</b>	<b>and</b>	<b>then interest</b>
<b>1</b>	was in a deserter status	is returned to military control	accrues to the end of the month before the month the member entered a deserter status and resumes the first of the month after the month the member returns to military control (note 1).
<b>2</b>	returns to military control after desertion	has personnel records corrected to remove a mark of desertion	accrues during the period the member was originally considered to be a deserter (note 2).
<b>3</b>	is separated or discharged	repayment of deposits is delayed for any reason (note 3)	accrues to the end of the month in which repayment is made, not to exceed 90 days after eligibility to make deposits terminates.
<b>4</b>	does not request repayment after termination of eligibility to make deposits	within 90 days is again entitled to make deposits	continuously accrues.
<b>5</b>	is in a missing status	the Secretary of the Military Department concerned (or designee) directs repayment of total amount of deposit	accrues to the end of the month in which repayment is directed.
<b>6</b>		a finding of death is made	accrues to the end of the month in which repayment is made not to exceed 90 days after the date pay and allowances terminate.
<b>7</b>	is assigned to duty in the Persian Gulf area or on permanent duty assignment outside the United States or its possessions in support of a contingency operation (as defined in Definitions) (notes 5, 6, and 7)	is on TDY or TAD away from (a) the Persian Gulf area or (b) permanent duty assignment outside the United States or its possessions in support of a contingency operation (as defined in Definitions) for a period of 90 days (notes 5, 6, and 7)	accrues for the first 90 days of TDY or TAD, but not after 90 days (note 4).

**NOTES:**

- Interest does not accrue on deposits during the period a member is in a desertion status.
- Interest will be computed and retroactively credited.
- Delays in repayment of deposits include withholding of issued discharge certificates pending release from confinement when sentenced to dishonorable discharge.
- Interest would again accrue upon return to the Persian Gulf area or permanent duty assignment outside the United States or its possessions in support of a contingency operation (as defined in the definitions).
- See subparagraph 510101.B and paragraph 510203 for Operation Joint Endeavor contingency operation designation, effective date, and eligibility criteria.
- See paragraph 510101.C and paragraph 510204 for Operation Joint Guard contingency operation designation, effective date, and eligibility criteria.
- See subparagraph 510101.C and paragraph 510205 for Operation Joint Forge contingency operation designation, effective date, and eligibility criteria.

**Table 51-2. Savings Deposits, Special Determinations on Accrual of Interest**

<b>SAVINGS DEPOSITS, CONDITIONS UNDER WHICH DEPOSITS, PLUS INTEREST ARE REPAID</b>		
<b>R U L E</b>	<b>A</b>	<b>B</b>
	<b>When an eligible member has a savings account and member</b>	<b>then all deposits, plus interest will be repaid upon</b>
<b>1</b>	departs the Persian Gulf area or is no longer on permanent duty assignment outside the United States or its possessions in support of a contingency operation (as defined in the definitions)	the member's request upon departure from the permanent duty assignment outside the United States or its possessions or 90 days after the permanent duty assignment in the area of operations terminates (see note). For the Persian Gulf area, all deposits, plus interest, will be repaid upon the member's request, 90 days after IDP for the Persian Gulf area terminates, or 90 days after permanent duty assignment in the Persian Gulf area terminates. For contingency operations, all deposits, plus interest, will be repaid upon the member's request 90 days after the permanent duty assignment outside the United States or its possessions terminates.
<b>2</b>	is discharged or separated overseas (not for reentry into the Military Service)	discharge or separation from the Military Service or not to exceed 90 days thereafter.
<b>3</b>	is in a missing status	direction of the Secretary concerned or designee.
<b>4</b>	dies	settlement of member's unpaid pay and allowances as provided in chapter 36, of this Regulation (note).

**NOTE:**

Interest on deposits stops at the end of the month in which full repayment is made. Do not continue interest beyond 90 days after the date of the member's death, when hostile fire/imminent danger pay for the Persian Gulf area terminates, or when a member's permanent duty assignment outside the United States or its possessions in support of contingency operation (as defined in definitions) terminates, whichever is earlier. See Table 51-2, Rule 6, for death cases where a missing status is involved.

**Table 51-3. Savings Deposits, Conditions Under Which Deposits, Plus Interest Are Repaid.**

## SAVINGS PROGRAMS

## 5101 - SAVINGS DEPOSIT PROGRAM

## 510101 - Definitions

510101.A	OASD Ltr, February 7, 1974 10 U.S.C. 1035
510101.A.2	OASD(FM&P) Memo, February 23, 1996
510101.A.3	OASD(FM&P) Memo, March 20, 1997 OASD(FM&P) Memo, August 14, 1998
★ 510101.A.4	ASD(FMP) Memo, November 26, 2001
510101.B	Public Law 101-510, November 5, 1990 SECDEF Memo, January 29, 1991 OASD(FM&P) Memo, July 30, 1991 Public Law 102-190, section 639, December 5, 1991
510101.C	Public Law 102-25, section 310, April 6, 1991
510101.E	Public Law 102-190, section 639, December 5, 1991

## 5102 - AUTHORITY AND ELIGIBILITY

OASD(FM&P) Memo, January 29, 1991

## 510202 - Persian Gulf Conflict

10 U.S.C. 1035  
Public Law 102-190, section 639,  
December 5, 1991  
OASD(FM&P) Memo, January 29, 1991  
OASD(FM&P) Memo, July 30, 1991  
Public Law 102-190, section 639,  
December 5, 1991

## 510203 - Operation Joint Endeavor

OASD(FM&P) Memo, January 8, 1996

## 510204 - Operation Joint Guard

OASD(FM&P) Memo, March 20, 1997

## 510205 - Operation Joint Forge

OASD(FM&P) Memo, August 14, 1998

510206 - Operation Enduring Freedom

10 U.S.C. 1035(e)

★ 510206.A

ASD(FMP) Memo, November 26, 2001

★ 510206.B

PDUSD (P&R) Memo, February 24, 2003

5103 - LIMITATIONS ON AMOUNTS OF DEPOSITS

Public Law 102-25, section 310, April 6, 1991

5104 - INTEREST ON DEPOSITS

510402 - Computation of Interest

Public Law 102-25, section 310, April 6, 1991

5108 - APPLICATION OF INDEBTEDNESS OF FORFEITURE

10 U.S.C. 1035(d)

★ 5110 - THRIFT SAVINGS PLAN (TSP)

Public Law 99-335 & 106-65, section 661,  
October 5, 1999 as amended by Public  
Law 106-398, section 661, October 30, 2000  
5 Code of Federal Regulations, Chapter VI  
DoDD 1341.4, Thrift Savings Plan

★ Figure 51-1

37 U.S.C. Chapter 5

Table 51-1

Rule 4

ASD(FMP) Memo, November 26, 2001

★ Rule 5

PDUSD (P&R) Memo, February 24, 2003