



# Thrift Savings Plan

## **TSP In-Service Withdrawals**

**July 2004**

**Federal Retirement  
Thrift Investment Board**

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# Thrift Savings Plan In-Service Withdrawals

This booklet explains in-service withdrawals from Thrift Savings Plan (TSP) accounts and provides specific information about the two types of in-service withdrawals.

The information in this booklet applies to Federal civilian employees and to members of the uniformed services<sup>1</sup> who are TSP participants. For participants with both a civilian and uniformed services TSP account, the information in this booklet **applies to each account separately.**<sup>2</sup>

If after reading this booklet you have questions about in-service withdrawals which your personnel office or service TSP representative cannot answer, you should call or write to the TSP Service Office. To reach the TSP Service Office, call the ThriftLine and select the option on the menu to speak to a participant service representative.

The operating hours of the TSP Service Office are Monday through Friday, 7:00 a.m. to 9:00 p.m., eastern time. The address is:

**TSP Service Office  
National Finance Center  
P.O. Box 61500  
New Orleans, LA 70161-1500**

To reach the TSP Service Office, call the TSP ThriftLine at 1-TSP-YOU-FRST (1-877-968-3778) or the TDD at 1-TSP-THRIFT5 (1-877-847-4385). Outside the U.S. and Canada, please call 1-504-255-8777 (not toll free).

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<sup>1</sup> The Floyd D. Spence National Defense Authorization Act for 2001 (Public Law 106-398) extended participation in the TSP to members of the uniformed services. For TSP purposes, the uniformed services includes members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration, as well as members of the Ready Reserve, including the National Guard.

<sup>2</sup> Participants who are both Federal civilian employees and members of the uniformed services (i.e., as members of the Ready Reserve) may have an account related to each type of employment and will thus have two separate accounts.

TSP information is available 24 hours a day, 7 days a week from the TSP Web site at [www.tsp.gov](http://www.tsp.gov) and the ThriftLine.

To access your account(s) on the TSP Web site or the ThriftLine, you will need your Social Security number (SSN) and your Personal Identification Number (PIN) for that account. If you have forgotten your PIN, you can request a new one from the Account Access section of the TSP Web site, from the ThriftLine, or by calling or writing to the TSP Service Office. (You can reach the TSP Service Office by calling the ThriftLine.)

# I. Understanding In-Service Withdrawals

## What is an in-service withdrawal?

An in-service withdrawal is a means of providing participants — under limited circumstances — access to funds in their TSP accounts while they are employed by the Federal Government either as Federal civilian employees or as members of the uniformed services. (This includes participants who are in nonpay status.<sup>3</sup>)

Two types of in-service withdrawals are available to TSP participants:

- **Age-based withdrawal.** Participants who are age 59½ or older can make a one-time withdrawal of all or a portion of their vested account balances.
- **Financial hardship withdrawal.** Participants (regardless of age) can make a withdrawal of their own contributions and the earnings on those contributions up to the amount of their actual hardship. After a participant makes a financial hardship withdrawal, he or she cannot make contributions to the account from which the withdrawal was made or make another financial hardship withdrawal from that account for a period of 6 months.

## How much can I withdraw?

For an age-based withdrawal, the maximum amount you can withdraw is your vested account balance. (See Section III.) For a financial hardship withdrawal, the amount you can withdraw is limited to your own contributions and earnings or the amount of your actual need, whichever amount is smaller.

You cannot request an amount less than \$1,000 for either type of in-service withdrawal. However, for an age-based in-service withdrawal, you may request to withdraw your entire vested account balance, even if it is less than \$1,000.

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<sup>3</sup> If you are not currently receiving pay, you are in “nonpay status” for TSP purposes. For civilian TSP participants, this includes leave without pay, furlough, etc. Most uniformed services members will never be in nonpay status. However, members of the Ready Reserve whose drilling intervals are irregular (i.e., other than monthly), and who therefore do not receive pay each month, are considered, for TSP purposes, to be in nonpay status during the months they do not drill.

## **What is the effect of an in-service withdrawal on my account?**

When you make a withdrawal from your TSP account, you **permanently** deplete your retirement savings by the amount that you withdraw and you give up any future earnings that you would have earned on that amount, thus further reducing your retirement income. In addition, your withdrawal is subject to income tax. Once an in-service withdrawal payment is made, you **cannot return or repay** the money to your account, and you cannot convert your withdrawal to a loan.

In addition, if you make an age-based in-service withdrawal, you will not be able to make a partial withdrawal of your account after you separate from service.

If you make a financial hardship in-service withdrawal, the effects are more significant. In addition to the effects discussed above, if you are younger than age 59½ when you make your withdrawal, you may be subject to an early withdrawal penalty tax. You will also not be able to contribute to your TSP account for 6 months after your financial hardship in-service withdrawal is made.<sup>4</sup> If you are a FERS employee, this means that you will also not receive any matching contributions for that 6-month period. These are contributions that can never be recaptured for your retirement savings. (See page 16, “What are the rules for terminating and restarting contributions to my TSP account?”, for more information about termination of contributions when you make a financial hardship in-service withdrawal.)

You should seriously consider these disadvantages before making any in-service withdrawal. If you are in pay status and are eligible for a TSP loan, you may want to consider taking a loan rather than a withdrawal.

## **How is the money deducted from my account?**

An age-based in-service withdrawal will be deducted from your TSP account proportionally from each investment fund in which you are invested. If you are making a financial hardship in-service withdrawal, your withdrawal will be deducted proportionally from each investment fund according to the employee contributions in that investment fund.

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<sup>4</sup> For members of the uniformed services, when employee contributions from basic pay stop, contributions from incentive pay and special pay, including bonuses, will also stop.

If you are making an in-service withdrawal from a uniformed services TSP account, your account may include a tax-exempt balance. This is because a member of the uniformed services is entitled to make contributions to his or her TSP account from tax-exempt pay earned in a combat zone. If the uniformed services TSP account includes a tax-exempt balance, the in-service withdrawal will be paid proportionally from the tax-deferred and tax-exempt balances.<sup>5</sup>

## **How else can I access the money in my account while I am employed?**

If you are in pay status, you can access your own contributions and the earnings on those contributions through a TSP loan. Loans are available for general purposes and for the purchase of a primary residence.

Before applying for an in-service withdrawal, you should evaluate your options to see whether a loan from the TSP would be more beneficial for you. A loan — including interest on the loan — is repaid to your account. Also, the amount of an in-service withdrawal is subject to income tax, and, depending on your age, an early withdrawal penalty tax. However, you do not pay taxes on a TSP loan (unless you fail to repay it). Finally, unlike a financial hardship withdrawal, a TSP loan has no effect on your eligibility to continue contributing to your account.

For more information about loans, read the booklet *TSP Loan Program*, which is available from the TSP Web site, your agency personnel office, or your service TSP representative.

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<sup>5</sup> The tax-deferred balance includes all contributions other than those made from pay subject to the combat zone tax exclusion, as well as all earnings in a participant's account (including earnings on any tax-exempt balance). Tax-deferred balances are subject to taxation upon their distribution from a TSP account; tax-exempt balances are not.

For detailed information about applicable tax rules, read the notice "Important Tax Information About TSP In-Service Withdrawal Payments," which is available from the TSP Web site, your agency or service, or the TSP Service Office.

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## II. General Rules for In-Service Withdrawals

### How do I apply?

There are two ways to apply for an in-service withdrawal. You can access your account on the TSP Web site (using your Social Security number and PIN) and fill out an on-line application. Alternatively, if you want to make an age-based withdrawal, you can complete Form TSP-75 (for Federal civilian employees) or Form TSP-U-75 (for members of the uniformed services), Age-Based In-Service Withdrawal Request. If you want to make a financial hardship withdrawal, complete Form TSP-76 or TSP-U-76, Financial Hardship In-Service Withdrawal Request.<sup>6</sup> The forms are available from the TSP Web site, your agency personnel office, your service TSP representative, or the TSP Service Office.

**Note:** If you use the TSP Web site to request an in-service withdrawal, you can begin (and in some cases, complete) your request on-line. Your ability to complete a request on-line will depend on whether your spouse's consent is required for your withdrawal and whether or not you are transferring all or a portion of your age-based withdrawal to a traditional IRA or eligible employer plan. (You cannot transfer a financial hardship in-service withdrawal.) In either case, you can begin your request on-line and print out your partially completed form. When you obtain the necessary information, you can send the request to the TSP Service Office.

The TSP can process only one request from an account at a time. Therefore, your in-service withdrawal request will be rejected if it is received by the TSP Service Office when you already have a pending application for another type of in-service withdrawal or for a TSP loan. (See "Can I cancel an in-service withdrawal request?" on page 8 if you want to cancel a pending application.)

If you want to transfer all or any portion of your age-based in-service withdrawal to a traditional IRA or eligible employer plan, you and your financial institution must provide information about the plan or financial institution on Form TSP-75 or TSP-U-75. (Read the tax notice "Important Tax Information About TSP In-Service Withdrawal

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<sup>6</sup> Forms for civilian TSP participants are identified by the prefix "TSP," followed by the form number. Forms for uniformed services TSP accounts are identified by the prefix "TSP-U-" before the form number.

Payments” to see how a transfer affects tax withholding on your age-based in-service withdrawal.) When you have completed your request, mail it to the TSP Service Office at the address on the form. Do not send your application to your agency or your service; only the TSP Service Office can process an in-service withdrawal.

**Note about transferring tax-exempt balances.** Tax-exempt balances resulting from contributions from pay subject to the combat zone tax exclusion may also be transferred or rolled over into a traditional IRA, or transferred to an eligible employer plan, if the IRA or plan will accept them. However, even though the withdrawal from your account will be based on the proportion of taxable and tax-exempt balances in your account, if you choose to transfer a portion of the withdrawal, the taxable portion will be transferred to your IRA or plan first. Tax-exempt money will be transferred only if the taxable portion of your withdrawal does not satisfy the percentage of your withdrawal that you elected to transfer to your IRA or plan (and the IRA or plan certifies that it will accept tax-exempt money). Amounts that are not transferred will be paid directly to you (or to your checking or savings account, if you so elect). Read the tax notice for more information.

### **Does my spouse have to consent to an in-service withdrawal?**

Your spouse has certain rights that affect your account (even if you are separated from him or her). These rights apply to all in-service withdrawals. If you are a married FERS<sup>7</sup> participant or a member of the uniformed services, the law requires that your spouse consent to your in-service withdrawal. If your spouse’s whereabouts are unknown, or exceptional circumstances make it inappropriate to obtain your spouse’s consent, you can apply for an exception using Form TSP-16 or TSP-U-16, Exception to Spousal Requirements, and providing the required documentation. These forms are available from the TSP Web site, your agency personnel office, your service TSP representative, or the TSP Service Office.

**Note:** The criteria for supporting a claim on the basis of exceptional circumstances are strict. The fact that there is a separation agreement, a prenuptial agreement, a protective order, or a divorce petition does not in itself support a claim of exceptional circumstances.

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<sup>7</sup> FERS refers to the Federal Employees’ Retirement System, the Foreign Service Pension System, and other equivalent Government retirement plans.

If you are a married CSRS<sup>8</sup> participant, the TSP must notify your spouse before the in-service withdrawal can be made. If you do not know the whereabouts of your spouse, you can apply for an exception using Form TSP-16.

You must indicate whether or not you are married on your request for an in-service withdrawal. If you are married, you must provide certain information about your spouse. **Note:** The TSP will pursue and prosecute any participant or other person who attempts to deprive a spouse of his or her TSP rights by forging the spouse's signature, by lying about the participant's marital status, or by any similar acts.

### **If there is a court order against my account, will I be able to make an in-service withdrawal?**

The TSP must honor court orders, such as those that enforce payment of child support or alimony or that award a portion of your civilian or uniformed services TSP account to a former spouse.

If you have both a civilian and a uniformed services TSP account, the court order must clearly identify the account to which the order or award applies.

When a court order is received by the TSP, a hold will be placed on the account to stop payment. An in-service withdrawal cannot be made from that account until the court order process has been completed.

For more information about the effect of court orders on your TSP account, read the booklet *Information About Court Orders*, available from the TSP Web site, your agency personnel office, your service TSP representative, or the TSP Service Office.

### **How long does it take to get an in-service withdrawal?**

You should anticipate that it will take several weeks between the time the TSP receives all of the required forms and information for

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<sup>8</sup> CSRS refers to the Civil Service Retirement System, including CSRS Offset, the Foreign Service Retirement and Disability System, and other equivalent Government retirement plans.

an in-service withdrawal and the time you (or, if applicable, your financial institution), receive your withdrawal. If you elect to have your withdrawal deposited directly into your checking or savings account by electronic funds transfer (EFT), you may receive your withdrawal sooner. EFT is a safer payment method than issuing a check to you. Also, lost, stolen, damaged, or misdirected checks may take 6 weeks or longer to replace.

Your in-service withdrawal could take longer if your request is not properly completed. To help ensure that there are no delays in your request, you should double-check your application to make sure that it is complete and that it has been signed.

### **Where will my check be sent?**

Your in-service withdrawal check — and correspondence related to your withdrawal — will be mailed to the address in your TSP account record or directly deposited to your checking or savings account by electronic funds transfer (EFT), if you have chosen this option. In addition, if you elect to transfer your age-based in-service withdrawal to a traditional IRA or eligible employer plan, a check for that amount will be sent to the IRA or plan you designate. If your TSP account address is not correct, contact your agency personnel office or your service TSP representative immediately and ask that your correct address be submitted to the TSP. The TSP cannot use the address that you provide on your in-service withdrawal request to change your account address. Therefore, you should report any changes of address to your agency or service **before** you submit your in-service withdrawal request.

### **Can I cancel an in-service withdrawal request?**

Although you can cancel an in-service withdrawal, you may not have the opportunity to do so before your request is processed. If you want to cancel a request, you may be able to do so by using the TSP Web site or calling the TSP Service Office as soon as possible after you submit your request.

## **Are there tax consequences to my withdrawal?**

Yes. You are responsible for paying taxes on an in-service withdrawal. However, different tax rules apply to an age-based in-service withdrawal than to a financial hardship in-service withdrawal. Also, different tax rules may apply to Federal civilian employees than to members of the uniformed services. For detailed information about the tax rules, read the notice “Important Tax Information About TSP In-Service Withdrawal Payments,” which is available from the TSP Web site, your agency or service, or the TSP Service Office.

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### **III. More About Age-Based Withdrawals**

This section supplements the information about applying for an in-service withdrawal which is contained in Section II.

#### **Can I request an age-based withdrawal before I am 59½?**

No. A withdrawal request can be processed only after you have reached age 59½. If the TSP receives your request for an age-based in-service withdrawal earlier than 6 months after your 59th birthday, your request will be rejected. (The TSP determines your age based on the date of birth reported by your employing agency or your service.)

#### **Is there a limit on the amount of my age-based withdrawal?**

You may withdraw all or any portion of your vested account balance from your civilian or uniformed services TSP account. You cannot request a dollar amount that is less than \$1,000. However, if your vested account balance is less than \$1,000, you can request that your total vested account balance be paid to you. If you request a withdrawal of a dollar amount that is more than the vested account balance in your account, the TSP will pay the maximum amount available so long as your account balance is at least \$1,000. If your vested account balance is less than \$1,000, you must submit a request for your entire vested account balance.

You are always vested in your own contributions and the earnings on those amounts. (This includes any amount you transferred into your TSP account from a traditional IRA or eligible employer plan.) Thus, CSRS employees and members of the uniformed services are always vested in all of the money in their accounts. FERS employees are also always vested in the Agency Matching Contributions, as well as the earnings on those contributions. Most FERS employees become vested in their Agency Automatic (1%) Contributions after completing 3 years of Federal civilian service. FERS employees in congressional and certain noncareer positions become vested in their Agency Automatic (1%) Contributions after completing 2 years of Federal service.

Check the TSP Web site or the ThriftLine for your current account balance. You can also estimate your vested account balance by referring to your most recent participant statement. If you are a FERS employee, your TSP participant statement indicates the number of

years of Federal service you need in order to be vested in your Agency Automatic (1%) Contributions. If you are not vested in your Agency Automatic Contributions, you should deduct these contributions and their earnings when you estimate your vested account balance.

### **Is there a limit on the number of age-based withdrawals I can make?**

You may receive **only one** age-based in-service withdrawal from an account. If your account record indicates that an age-based withdrawal was disbursed previously, any subsequent request from that account will be denied.

Making an age-based withdrawal, however, does not affect your eligibility for a later TSP loan or financial hardship in-service withdrawal from that account.

**Note:** If you have two separate TSP accounts — as a Federal civilian employee and as a member of the uniformed services — you can make an age-based in-service withdrawal only from the account associated with your current employment. However, if you have two accounts associated with your current employment (e.g., because you are a Federal civilian employee and a member of the Ready Reserve), you can make an age-based in-service withdrawal from each account.

### **Does an age-based withdrawal affect my withdrawal options after I separate from service?**

Yes. In most cases, separated participants have the option to withdraw a portion of their accounts and leave the rest in the TSP until later. This is called a partial withdrawal. However, if you make an age-based in-service withdrawal, you will not be eligible for a partial withdrawal after you separate from service.



## **IV. More About Financial Hardship Withdrawals**

This section supplements the information about applying for an in-service withdrawal which is contained in Section II.

### **Is there a limit on the amount of my financial hardship withdrawal?**

Yes, there are limits on financial hardship in-service withdrawals.

First, you can withdraw only your own contributions and attributable earnings in your civilian or uniformed services TSP account (including any amounts you transferred into your TSP account from a traditional IRA or an eligible employer plan). If you are a FERS employee, you cannot withdraw any Agency Automatic (1%) or Matching Contributions.

Second, the amount of the financial hardship withdrawal is limited to your financial need.

Third, you cannot withdraw less than \$1,000.

### **How do I qualify for a financial hardship withdrawal?**

To be eligible for a financial hardship withdrawal, you must have a financial need that results from at least one of the following four conditions: negative monthly cash flow, medical expenses (including household improvements needed for medical care), personal casualty losses, or legal expenses for separation or divorce. In determining your financial hardship needs, you cannot use any expenses that are already paid or are reimbursable to you by insurance or otherwise.

### **How do I determine if I have a negative monthly cash flow?**

Generally, you have a negative cash flow if your monthly income is less than your monthly expenses on a recurring basis. To determine if you have a negative cash flow, use the worksheet that is provided in the Appendix and also with the Financial Hardship Withdrawal

Request (Form TSP-76 or Form TSP-U-76). To complete the worksheet, you will need to use financial information for yourself and, if you are married, your spouse. You will have to determine monthly income (i.e., from employment, child support and alimony) and expenses (i.e., housing, utilities, dependent care, alimony and child support, and installment loan payments for other than TSP loans). The worksheet provides factors to determine an allowance for ordinary household expenses based on income and family size. The factors are derived from information provided by the U.S. Bureau of Labor Statistics. The allowance takes into account items such as food, clothing, health insurance premiums, entertainment, and other miscellaneous expenses. (Credit card payments are included in this allowance so they should not be used in determining expenses.)

You do not have to return the worksheet with your request for a financial hardship withdrawal. The worksheet is there to help you determine whether you have a negative cash flow and the amount of the negative cash flow.

### **Which medical expenses can I use to determine a financial hardship?**

Any medical expenses that are eligible for deduction on your Federal income tax return which are incurred as a result of a medical condition, illness, or injury to you, your spouse, or your dependents (i.e., individuals whom you can claim as dependents for Federal income tax purposes at the time you request your withdrawal) are eligible for determining a financial hardship for medical reasons. In addition, expenses for household improvements needed for medical care as a result of a medical condition, illness, or injury to you, your spouse, or your dependents qualify under this category. Examples of eligible household improvements include:

- Structural improvements, such as a wheel chair ramp, railing and support bars, modified doorways and stairways, or the installation of an elevator for a heart condition, or alteration of cabinets, outlets, and fixtures.
- Purchase and installation of equipment, such as warning systems for the disabled or installation of a central air conditioner if necessary for relief from an illness.

## **Which types of personal casualty loss can I use in determining financial hardship?**

Generally, eligible costs of repairs and replacement are those resulting from personal casualty losses that are eligible for deduction on your Federal income tax return, without taking into consideration the IRS limits on income, the fair market value of the property, or the number of events.

Personal casualty loss includes damage, destruction, or loss of property resulting from an identifiable event that is sudden, unexpected, or unusual. Casualty losses can result from a number of causes, including earthquakes, hurricanes, tornadoes, floods, storms, and fires. They can also result from theft of your property. Damage to your automobile can be a casualty loss as long as the accident was not caused by your willful negligence or willful act. Personal casualty loss does **not** include damage resulting from normal wear and tear, such as damage or destruction due to termites or moths or progressive deterioration of property. Also, losses on deposits when a bank, credit union, or other financial institution becomes insolvent or bankrupt and losses to a business or income-producing property are not acceptable personal casualty losses, even though they are deductible for Federal income tax purposes.

## **Which legal expenses qualify in determining a financial hardship?**

Legal expenses for separation or divorce are limited to attorney's fees and court costs. Court-ordered payments to a spouse or former spouse and child support payments are not allowed in determining a financial hardship due to legal expenses. (If you are making a financial hardship withdrawal because of a negative cash flow, these payments should be included as part of your expenses.) In addition, costs of obtaining prepaid legal services or other coverage for legal services do not qualify in determining a financial hardship.

## **Do I have to provide income information or documentation?**

You do not need to provide either income information or documentation to substantiate the financial hardship. However, you should retain this information and documentation for future reference since you will have to certify on the withdrawal request, under penalty of perjury, that you have a genuine financial hardship and the reason for the financial hardship.

## **Is there a limit on the number of financial hardship withdrawals I can make?**

There is no limit on the number of financial hardship withdrawals you can make; however, the TSP will not accept a financial hardship withdrawal request from an account for a period of 6 months after a financial hardship disbursement has been made from that account. For example, if your financial hardship withdrawal is disbursed on March 15, another request cannot be processed until September 15.

**Note:** If you have two separate TSP accounts — as a Federal civilian employee and as a member of the uniformed services — you can make a financial hardship withdrawal only from the account associated with your current employment. However, if you have two accounts associated with your current employment, you can make a financial hardship in-service withdrawal from each account.

## **What are the rules for terminating and restarting contributions to my TSP account?**

When your financial hardship in-service withdrawal is made, the TSP will instruct your agency or service to stop your Employee Contributions for 6 months. (If you have both a civilian and a uniformed services TSP account, this termination will apply only to the account from which you received your financial hardship withdrawal. See footnote 4.) This period will begin when the financial hardship disbursement is made. This means that if you are a FERS employee or a member of the uniformed services who is receiving **matching contributions**, your matching contributions will also stop. However, if you are a FERS employee in pay status, you will continue to receive your Agency Automatic (1%) Contributions during this time.

If you are a FERS participant who is not yet eligible for agency contributions, but you become eligible during this 6-month suspension period, your Agency Automatic (1%) Contributions will begin as scheduled. Your matching contributions, if any, will begin when you resume Employee Contributions.

When your financial hardship withdrawal is processed, the TSP will send you a notice. That notice will let you know when you can resume making contributions to the TSP. Also, at the end of the 6-month period, the TSP will notify you of your eligibility to resume contributions. At that time, you can ask your agency or service to

resume your contributions by submitting Form TSP-1 or TSP-U-1, Election Form, along with a copy of one of the notices the TSP has sent you. Your agency or service will **not** resume your contributions automatically. However, you do not need to wait until a TSP open season to resume contributions (unless you had previously voluntarily terminated your contributions). When you resume contributions, they will be allocated to the TSP funds according to your most recent contribution allocation.

## APPENDIX: Instructions for Worksheet

- A. The allowance for ordinary household expenses takes into account ordinary monthly recurring expenses (e.g., food, clothing, household operations, entertainment, education, health insurance premiums), including expenses frequently charged to credit cards. (If any income for you or your spouse is not monthly, you will need to calculate the monthly amount. For example, if you are paid 26 times a year (biweekly), multiply the biweekly amount by 26 and divide by 12.)

If you are in **pay status**, determine the **gross** monthly income by adding your gross monthly pay and any other monthly income (such as child support) for you (and, if applicable, your spouse). Your gross pay is your pay before taxes and any other deductions are taken out. **Note:** If you are a member of the uniformed services, use your entire gross pay, including base pay, uniformed services allowance, and any incentive and special pay you receive. Also, Reservists should include income from both Reservist pay and any other employment.

If you are in **nonpay status**, determine your **gross** monthly income by using your annual salary shown on your earnings and leave statement. Divide this amount by 12 and then add any other monthly income for you (and, if applicable, your spouse).

- B. Your monthly scheduled household expenses include your rent or mortgage, real estate tax, your homeowner's or renter's insurance, and monthly household utilities (if these items are paid separately from your mortgage or rent), household dependent care (including household help due to illness or injury) and any expenses you pay for alimony, maintenance, or child support. You should also include any installment loan payments (other than those related to a TSP loan). Do not include credit cards or charge accounts or any interest charges on them. These items are taken into consideration in your allowance for ordinary monthly household expenses. **Note:** If you are a member of the uniformed services and are living away from your family on extended temporary duty, add together your and your family's expenses.
- C. Add Lines A and B to determine your total monthly household expenses.
- D. To calculate the **net** monthly income for you, and, if applicable, your spouse, add the monthly amounts for Federal, state, and local income tax withholding, OASDI(Social Security)/Medicare, and monthly Federal retirement deduction (i.e., FERS or CSRS). If your spouse has any other type of retirement plan deductions or makes TSP contributions, also add in the monthly amount for those items. Subtract this total from the gross monthly income you provided in A and enter the result on Line D.
- E. If the number shown on Line C is less than the number shown on Line D, you do not have a negative cash flow. You are not eligible for a hardship withdrawal because of negative cash flow. You do not need to complete Line F. Otherwise, subtract the number on Line D from Line C. Enter this number on Line E.
- F. Multiply the number on Line E by 6 to determine the hardship amount that you may be eligible to request due to negative cash flow.

# Worksheet to Determine Negative Cash Flow

You can complete this worksheet to help you determine whether you have a negative cash flow and the amount of the negative cash flow. Use the instructions on the previous page to help you complete the items. If you are married, you must include financial information for yourself and your spouse. **Do not submit this worksheet with your request.**

**A.** Allowance for ordinary monthly household expenses:

Determine your gross monthly income as explained in the instructions, then enter the amount on the line provided. Find the factor for your monthly income and family size. Enter the factor and multiply it by the amount of your gross monthly income. Round to the nearest whole dollar.

Total Monthly Income	Family Size		
	1 or 2	3 or 4	5 or more
Less than \$1,250	.85	.90	.90
\$1,250 – 1,666	.70	.80	.80
\$1,667 – 2,499	.60	.65	.70
\$2,500 – 3,332	.50	.55	.60
\$3,333 – 4,166	.40	.50	.50
\$4,167 – 5,832	.40	.45	.50
\$5,833 or more	.30	.35	.40

$$\frac{\text{Gross Monthly Income}}{\text{Gross Monthly Income}} \times \frac{\text{Factor}}{\text{Factor}} = \text{A}$$

**B.** Enter your monthly scheduled household expenses:  
(See instructions.)

\_\_\_\_\_

**B**

**C.** Enter your total monthly household expenses by adding Lines A and B.

\_\_\_\_\_

**C**

**D.** Enter the total net monthly income: (See instructions.)

\_\_\_\_\_

**D**

**E.** Subtract Line D from Line C to determine if you have a negative cash flow. If Line C is less than Line D, you do not have a negative cash flow. (See instructions.)

\_\_\_\_\_

**E**

**F.** Multiply Line E by 6 months to determine your hardship amount due to negative cash flow:

$$\frac{\text{E}}{\text{E}} \times 6 = \text{F}$$

