



*"With John's guidance, I'm confident I made the best decisions for my financial future during an*

*"His detailed analysis of my financial situation helped me to understand the short and long term impact of my settlement*

## DID YOU KNOW

### **That the TSP Rules for Domestic Relations Orders Can Circumvent Intentions in Divorce Agreements?**

If you practice Family Law in Maryland and/or DC, you have most likely seen your fair share of Federal Employee cases. You are probably very familiar with FERS, CSRS, TSP, FEHB, etc. and most likely, once the settlement agreement was finalized, you handed off the Court Order creation to a specialist. This DYK is to provide you with the not widely publicized TSP rules that could surprise all parties and give practitioners a major headache!

Did you know that..

1. **Certain** account information is available to non-employee spouses? You must make a written request but you can obtain the **Participant's account and/or loan balance and annual or quarterly statements.**
2. The TSP will only award a payment to a current or former spouse, **or dependent** and only for a specified dollar amount, or a percentage of the participant's account as of a **specific past or current date?**
3. "A Court Order can be used to prevent a participant from withdrawing his or her TSP account during a divorce action?"\*
4. For death benefit purposes, **previously designated beneficiaries** will receive account balances **even if** these were waived in the settlement agreement?
5. If a court order is used to garnish alimony or **child support**, the cash payment will be taxable income to **the payee?**
6. Unless the court order **specifies otherwise**, any outstanding loan balance will be included in the account balance, i.e. the loan will not be subtracted from the balance.
7. The TSP will disburse payments under a qualifying order **proportionally** from any Traditional and Roth balances in an employee account? The court order cannot specify what account the payment should be made from.

\*TSP's "Court Orders and Powers of Attorney" July 2013.