Thrift Savings Plan

TSP In-Service Withdrawals

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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.

If after reading this booklet you have questions about in-service withdrawals which your employing agency cannot answer, you should write or call the TSP Service Office. The operating hours of the TSP Service Office are Monday through Friday, 7:45 a.m. to 4:15 p.m., central time.

TSP Service Office
National Finance Center
P.O. Box 61500
New Orleans, LA 70161-1500
(504) 255-6000 TDD (504) 255-5113

The following sources of TSP information are available 24 hours a day, 7 days a week:

TSP Web site
www.tsp.gov

TSP ThriftLine
(504) 255-8777

For the ThriftLine, you will need your Social Security number and your Personal Identification Number (PIN). If you have forgotten your PIN, you can request a new one from the ThriftLine.

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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. This includes participants who are in nonpay status.

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) who can demonstrate financial hardship can make a withdrawal of their own contributions and the earnings on their contributions (up to the amount of their documented hardship). After a participant makes a financial hardship withdrawal, he or she cannot make contributions to the TSP or make another financial hardship withdrawal for a period of six months.

How much can I withdraw?

For an age-based withdrawal, the maximum amount you can withdraw is your vested account balance. For a financial hardship withdrawal, the amount is limited to your own contributions and earnings, or the amount of your demonstrated 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.

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 of the amount that you withdraw and any future earnings that you would have earned on that amount. 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 a financial hardship in-service withdrawal, you are **not permitted to make contributions** to your TSP account for six months. Thus, if you are a FERS employee, you will not receive any Agency Matching Contributions for six months. (If you are a FERS employee in pay status, you will continue to receive your Agency Automatic (1%) Contributions.) See page 12 "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.

How else can I access my account while I am employed?

If you are in pay status you can access money in your account through a TSP loan. Loans are available for general purposes and for the purchase of a primary residence.

Before applying for a 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, while an in-service withdrawal is subject to income tax and, depending on your age, an early withdrawal penalty tax, you do not pay taxes on a TSP loan (unless you fail to repay it). Finally, unlike a financial hardship withdrawal, taking a TSP loan has no effect on your eligibility to continue contributing to your account.

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

II. General Rules for In-Service Withdrawals

How do I apply?

To apply for an age-based in-service withdrawal, complete Form TSP-75, Age-Based In-Service Withdrawal Request. To apply for a financial hardship in-service withdrawal, complete Form TSP-76, Financial Hardship In-Service Withdrawal Request. These forms are available from the TSP Service Office or the TSP Web site. They will also be available from your employing agency in mid-1998.

If you want to transfer all or any portion of your in-service withdrawal to an Individual Retirement Arrangement (IRA) or other eligible retirement plan, you must also complete Form TSP-75-T, Transfer of In-Service Withdrawal. That form is included in the in-service withdrawal package. (See “What are the tax consequences of my withdrawal?” on page 5.)

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 employing agency; only the TSP Service Office can process an in-service withdrawal.

Note: The TSP can process only one request at a time. Therefore, your 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 page 5 “Can I cancel an in-service withdrawal request?” for information about cancelling an application.)

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 your spouse). These rights apply to all in-service withdrawals. If you are a married FERS[1] employee, 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

[1] FERS refers to the Federal Employees’ Retirement System, the Foreign Service Pension System, and other equivalent Government retirement plans.

for an exception using Form TSP-16, Exception to Spousal Requirements. This form is available from your agency personnel office or from the TSP Web site.

If you are a married CSRS[2] employee, 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.

On your request for an in-service withdrawal you must indicate whether or not you are married. 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 similar actions.

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

No. The TSP must honor court orders, such as those that enforce payment of child support or alimony or that award a portion of your account to a former spouse. When a court order is received by the TSP, a hold will be placed on your account to stop payment. An in-service withdrawal cannot be made 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 your agency personnel office or the TSP Web site.

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

You should anticipate that there will be 4 to 6 weeks between the time the TSP receives all of the required forms and information for an in-service withdrawal and the time a check is mailed to you.

Because the TSP is a monthly valued plan, disbursements are made once a month (by mid-month) after earnings have been posted to participants' accounts. The month in which your in-service withdrawal is disbursed depends on when your application and any required documentation are received at the TSP Service Office. Your

[2] CSRS refers to the Civil Service Retirement System, including CSRS Offset, the Foreign Service Retirement and Disability System, and other equivalent Government retirement plans.

in-service withdrawal request must be approved before the 4th business day of the month in order to be processed in that month.

Your in-service withdrawal could take longer if, for example, you submit forms that are not properly completed, or if you request a transfer to an IRA and your financial institution delays in submitting Form TSP-75-T. 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 all forms have been signed.

Where will my check be sent?

Your withdrawal check — and correspondence related to your in-service withdrawal — will be mailed to the address in your TSP account record. If your TSP account address is not correct, contact your agency personnel office immediately and ask it to submit your correct address to the TSP. The TSP cannot use the address that you provide on your withdrawal request to change your account address.

Can I cancel an in-service withdrawal request?

You can cancel a pending request, but you cannot cancel the withdrawal or return the money to your account once payment has been made. If you would like to cancel a pending in-service withdrawal request, your written request or call to the TSP Service Office must be received by the 4th business day of the month; provide your Social Security number, your name, and your date of birth or TSP Personal Identification Number.

What are the tax consequences of my withdrawal?

Under the Internal Revenue Code, in-service withdrawals from your TSP account are taxable income to you for Federal income tax purposes in the year in which payment is made.

Mandatory tax withholding. For Federal income tax purposes, an in-service withdrawal is considered an "eligible rollover distribution." As such, an in-service withdrawal is subject to mandatory 20% Federal income tax withholding. This withholding cannot be waived. You can avoid the mandatory tax withholding on any portion of your in-service withdrawal that you transfer directly to an IRA or other eligible retirement plan. (To request a transfer, use Form TSP-75-T, which is provided in the in-service withdrawal package.)

In addition, you can postpone paying income tax on any amount that you receive directly from the TSP if you then roll that amount over into an IRA or other eligible retirement plan. A rollover occurs when the TSP makes your withdrawal payment (minus the mandatory withholding) directly to you and you deposit any part of that withdrawal into an IRA or other eligible retirement plan within 60 days of receiving it. Note: You will have to pay tax (including an early withdrawal penalty tax, if applicable) on the amount that was withheld for Federal income tax — even if you roll over the entire amount you received — unless you also deposit personal funds equal to the amount withheld within the 60 day period allowed for rollovers.

You will still be subject to applicable taxes on any amount you later withdraw from the IRA or other eligible retirement plan.

Early withdrawal penalty tax. If you make a financial hardship in-service withdrawal and are less than age 59½ at the time of your withdrawal, you will also be subject to a 10% early withdrawal penalty tax (at the time you file your annual tax return) on the total amount that you receive directly from the TSP, including any amount withheld for taxes. This penalty tax is in addition to the ordinary income tax that you pay on the amount of the withdrawal paid directly to you.

Other tax information. The TSP will report your in-service withdrawal to the Internal Revenue Service (IRS) and the state in which you resided at the time the payment was made, if that state imposes an income tax.

In January of the year that follows your in-service withdrawal, the TSP will send you IRS Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. Even if you separate from service after you receive your in-service withdrawal, you should keep your TSP account address up to date so that this, as well as all other relevant TSP information, can reach you.

For additional information about the tax rules affecting your in-service withdrawal, read the tax notice "Important Tax Information About TSP In-Service Withdrawal Payments." This tax notice is included in the in-service withdrawal application package. You can also obtain a copy of this notice from your agency personnel office or the TSP Web site. Because the tax rules affecting in-service withdrawals are complex, you may wish to consult a tax advisor before you make any decision.

III. More About Age-Based Withdrawals

This chapter supplements the information about applying for an in-service withdrawal which is contained in Chapter 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 Form TSP-75 earlier than six 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.

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

You may withdraw all or any portion of your vested account balance. 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 your vested account balance, the TSP will pay the maximum amount available (even if the amount is less than $1,000).

You are always vested in your own contributions and the earnings on these amounts. Thus, CSRS employees are always vested in all money in their accounts. FERS employees are 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 three years of Federal civilian service. (FERS employees in congressional and certain noncareer positions become vested in their Agency Automatic (1%) Contributions after completing two years of Federal service.)

Check your most recent TSP Participant Statement to estimate your vested account balance. 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.

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

You may receive **only one** age-based in-service withdrawal. If, at the time your request is received, your account record indicates that an age-based withdrawal was disbursed previously, your request will be denied.

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

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

Yes. If you make an age-based in-service withdrawal, you will not be eligible for a partial withdrawal after you separate from Federal service. Partial withdrawals will become available after the new TSP record keeping system has been developed (in early 2000). At that time, separated participants will have the option to withdraw a portion of their accounts and leave the rest in the TSP until later. Participants who take an age-based in-service withdrawal before they separate from service will not be eligible for this feature.

IV. More About Financial Hardship Withdrawals

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

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

Yes. There are several limits on financial hardship in-service withdrawals.

First, you can withdraw only your own contributions and attributable earnings in your TSP account; you cannot withdraw the Agency Automatic (1%) or Matching Contributions. You cannot request to withdraw less than $1,000.

Second, the amount of the financial hardship withdrawal that you can make is limited to your demonstrated financial need. On Form TSP-76 you must provide information on monthly income and expenses for yourself and your spouse (if applicable), as well as provide supporting documentation for any extraordinary expenses that you claim. Extraordinary expenses include only expenses that are **unpaid and unreimbursable** (by insurance or otherwise). They are limited to four types: household improvements needed for medical care, personal casualty losses, legal expenses for separation or divorce, and medical expenses.

What income information do I have to provide?

You must report your monthly income, including items such as your salary, tax withholding and other deductions from your pay, alimony and child support that you receive, and, if you are married, your spouse's income.

You must also submit your most current earnings and leave statement with your request. Even if you are in nonpay status, you must provide your earnings and leave statement, because it documents that you are not receiving any pay.

What information about my expenses do I have to provide?

You must show your major monthly expenses (for example, housing, utilities, dependent care, alimony and child support, and installment loan payments), but you do not have to itemize all of your household expenses. An allowance for ordinary household expenses is determined based on your income and family size, using a factor derived from information provided by the U.S. Bureau of Labor Statistics. This allowance takes into account things such as food, clothing, health insurance premiums, entertainment, and other miscellaneous expenses. (Credit card payments are included in this allowance and cannot be included in your itemized expenses.) The calculation of the allowance for these ordinary expenses is made on the Financial Hardship Worksheet in the in-service withdrawal package.

You must also provide documentation for any extraordinary expenses that you list. The Appendix describes the documentation requirements for each type of extraordinary expense.

How can I estimate the amount for which I qualify?

You can use the information from the Financial Statement and Extraordinary Expenses sections of Form TSP-76 to complete the Financial Hardship Worksheet provided in the application package. The Worksheet helps you to determine if you qualify for a financial hardship withdrawal and to estimate the amount. The amount you request should not be greater than the amount you calculate on the Financial Hardship Worksheet.

How is financial hardship determined?

The amount of your financial hardship is based on the financial information you provide on Form TSP-76 and your current earnings and leave statement. The TSP calculates monthly cash flow, and, if monthly net income is less than monthly expenses, you may qualify for a hardship withdrawal. In addition, any extraordinary expenses that you list and document will affect the amount for which you qualify. If the TSP calculates a positive monthly cash flow, you will qualify for a hardship withdrawal only if your documented extraordinary expenses are more than six times as much as your monthly cash flow.

Will I receive a financial hardship in-service withdrawal if I qualify for less than I request?

If the information you provide supports an amount that is smaller than you requested, you will receive the smaller amount — **even if it is substantially less** than the amount you requested.

However, if you do not qualify for a financial hardship withdrawal based on the information that you provide (that is, if the calculated financial hardship amount is less than the minimum amount of $1,000), your request will be rejected.

Can I receive the full amount for which I qualify after the mandatory Federal income tax withholding?

Yes, you can — but only if you have employee contributions and attributable earnings in excess of the amount for which you qualify. Here's an example. Ordinarily, if you qualify for and request $1,000, you would receive $800, because 20% ($200) must be withheld for taxes. However, on Form TSP-76 you may ask to have an additional amount withdrawn so that — **after the mandatory Federal income tax withholding** — you receive $1,000. If you have enough money available, the TSP will process your withdrawal for the amount of $1,250, deduct 20% Federal income tax withholding ($250), and issue you a check for $1,000.

If, in this example, you requested $1,000, but your contributions and attributable earnings were only $1,100, the TSP would process a withdrawal of $1,100 (the maximum available based on your contributions and attributable earnings), deduct 20% for Federal income tax withholding ($220), and issue you a check for $880.

Note: The TSP cannot increase your withdrawal to cover Federal income tax withholding if you request that the TSP transfer **any** portion of your withdrawal to an IRA or other eligible retirement plan. Also, the TSP cannot increase your withdrawal to cover more than the mandatory 20% tax withholding.

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 for a period of six months after a financial hardship disbursement is made.

For example, if your financial hardship withdrawal is disbursed in March, another request cannot be processed before September.

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 to stop your employee contributions (if any) for six months. This period will begin approximately 45 days after the financial hardship disbursement, depending on when your pay periods begin. If you are a FERS employee, this means that your Agency Matching Contributions will also stop; however, you will continue to receive your Agency Automatic (1%) Contributions during this time if you are in pay status.

Near the end of this six-month period, the TSP will notify you of your eligibility to resume contributions. At that time, you can ask your agency to resume your contributions by submitting Form TSP-1, Election Form, along with a copy of the notice the TSP sends you. Your agency will **not** resume your contributions automatically. You do not need to wait until a TSP open season to resume contributions.

APPENDIX: Documenting Extraordinary Expenses

If you are applying for a financial hardship withdrawal and are claiming extraordinary expenses for any of the categories listed below, you must provide supporting documentation for the amount of the expenses that you show on your application. You can use only **unpaid and unreimbursable expenses** (or an estimate of future expenses) that are due and payable by you. You cannot submit expenses that you have already paid or that have been, or will be, reimbursed by insurance or otherwise.

This Appendix provides the criteria for documenting the following types of extraordinary expenses:

- Household improvements needed for medical care
- Personal casualty loss
- Legal expenses for separation or divorce
- Medical expenses.

The documentation of the cost must be dated no more than 45 days before the date the TSP Service Office receives your Form TSP-76. Note: This is the date of the bill or estimate — not the date the cost was incurred or the date the service was provided. If the most recent bill is not itemized, you must provide a copy of an earlier itemized bill or other document in addition to the current document. You may also submit estimates of acceptable costs to be incurred in the next six months. To do so, submit copies of estimates of the cost of the future expenses or a contract **and** a statement signed by you indicating the extent of those expenditures to be made within the next six months.

Please review the following documentation criteria carefully. If you do not submit the appropriate documentation for the extraordinary expenses that you list, you may receive a smaller amount than you expected.

To facilitate processing your request, please ensure that your name and Social Security number appear on each document.

1. Household Improvements Needed for Medical Care

Generally, eligible expenses for household improvements needed for medical care are those that are eligible for deduction on your Federal income tax return, but without the IRS limits on income or the fair market value of the property. These expenses must be incurred as a result of a medical condition, illness, or injury to you, your spouse, or your dependents (individuals whom you can claim as dependents for Federal income tax purposes at the time you request the withdrawal).

Eligible household improvements include:

- Structural improvements such as installation of an elevator for a heart condition, wheel chair ramp, railings and support bars, modified doorways and stairways, 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.

You must provide documentation to demonstrate that the household improvement is medically necessary **and** that you have unpaid bills for, or will incur the cost of, the improvement. Your documentation must include:

1) A statement from the patient's medical provider on official letterhead which includes the patient's name and clearly identifies the type of improvement and states that the improvement is needed for the medical care of the patient.

   and

2) A copy of a construction bill, clearly identifying the cost of the required improvement. You could also submit a copy of a building permit, assessment, or other document that clearly explains the improvement being made, along with bills for required equipment or supplies and labor costs. For example, a bill for supplies such as lumber or concrete would be acceptable if it is accompanied by a building permit that indicates that a wheelchair ramp is being built.

   and

3) A statement signed by you that identifies the patient's relationship to you if the improvement is being provided for someone other than yourself.

On all documentation of costs, you must indicate on the bill or in a separate statement any portion of the expenses that have been or are expected to be covered by insurance (including Medicare or Medicaid or other reimbursement).

2. Personal Casualty Loss

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, but without 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 fire. Damage to your automobile can be a casualty loss so 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.

You must provide documentation to demonstrate that you have incurred a casualty loss or theft **and** that you have unpaid bills for, or will incur costs for, repair and/or replacement of the damaged or stolen property.

Your documentation must include:

1) Documents that identify the affected property and confirm that the loss was due to casualty or theft. This includes copies of police or insurance reports or other documents that confirm that your residence or vehicle sustained casualty damages. It could also include confirmation that your residence was located in a Federal Disaster Area, or newspaper articles confirming violent weather.

   and

2) If any amount is covered by insurance, copies of insurance or Federal Emergency Management Agency statements that show the amount covered by insurance and the amount that is your responsibility. The amount that is payable by you (that is, the amount not covered by insurance or otherwise reimbursable) is the amount that is eligible under the financial hardship withdrawal program.

and

3) Documentation of the repair and/or replacement costs. Possible documents include a copy of a construction bill that clearly identifies the cost of the required repair or replacement, or a copy of a building permit, assessment, or other document that clearly indicates the repair or replacement being made (for example, roof repair due to fallen tree), along with bills for required equipment or supplies and labor costs.

On all documentation of costs other than insurance statements you must indicate on the bill or in a separate statement any portion of expenses that have been or are expected to be covered by insurance or other reimbursement.

Unacceptable Personal Casualty Losses — Several types of casualty losses are deductible for Federal tax purposes but cannot be included as expenses in this category:

- Losses on deposits when a bank, credit union, or other financial institution becomes insolvent or bankrupt
- Losses to business or income-producing property.

3. Legal Expenses for Separation or Divorce

Legal expenses for separation or divorce are limited to attorney fees and court costs. Court-ordered payments to a spouse or former spouse and child support payments are not allowed, nor are costs of obtaining prepaid legal services or other coverage for legal services.

Your documentation must include:

1) Copies of bills or a letter on official letterhead showing your name and sufficient identification of the case to confirm that the expenses are in connection with your separation or divorce. Billings for attorney's fees should clearly show the attorney's name, firm, and complete address, the date the services were rendered, and the amount of the bill.

and/or

2) A copy of a court document listing court costs payable by you. The case must be identified sufficiently to confirm that the expenses are associated with your separation or divorce.

On all documentation of costs, you must indicate on the bill or in a separate statement any portion that is not payable by you (that is, the portion of the costs payable by another party or covered by insurance).

4. Medical Expenses

Generally, eligible medical expenses are those that are eligible for deduction on your Federal income tax return, but without the IRS income limits.

Expenses that can be included are doctor and hospital bills, medical supplies, medical devices, and drugs prescribed by a physician (including insulin). You can also submit expenses for certain other services, such as travel or accommodations, but only if the travel or accommodations are necessary to receive treatment prescribed by a physician. These expenses must be incurred by you, your spouse, or your dependents (individuals whom you can claim as dependents for Federal income tax purposes at the time you request the withdrawal). Medical expenses that are excluded from coverage are items such as surgery for purely cosmetic reasons and medicine that you buy without a prescription.

You must provide documentation, such as bills from the service provider or an Explanation of Benefits (EOB) form from your insurer, which demonstrates that you have incurred specific medical (or dental) expenses.

Your documentation must include:

1) Copies of EOBs from the insurer with the name of the patient, the name and address of the medical provider, and the expense incurred. This document must show the amount covered by insurance and the amount that is the responsibility of the individual. Only the amount that is not covered by insurance is eligible for inclusion in the calculation of financial hardship.

   and/or

2) Copies of bills or receipts on the official letterhead of the medical service provider, showing the patient's name and expenses. For prescription drugs, be sure the bills or receipts show the prescription number.

   and/or

3) Copies of bills for other services, such as travel or accommodations, that are primarily for, and essential to, medical care. You must also submit a copy of a physician's statement on official letterhead indicating that the patient requires these services for medical reasons.

   and

4) A statement signed by you that identifies the patient's relationship to you, if the patient is someone other than yourself.

On all documentation of costs other than an EOB, you must indicate on the bill or in a separate statement any portion of the expenses which have been, or are expected to be, covered by insurance (including Medicare or Medicaid or other reimbursement).

Unacceptable Medical Costs — Several types of medical-related expenses are deductible for Federal tax purposes but cannot be submitted as extraordinary expenses because they are incorporated elsewhere in the financial hardship request:

- Medical and dental insurance premiums. These premiums are included in the determination of financial hardship as part of the allowance for ordinary monthly household expenses on the Financial Hardship Worksheet.
- Expenses associated with household help due to a medical condition. If you incur monthly expenses for household help because of a medical condition, enter the cost under "Monthly Scheduled Expenses" on Form TSP-76.
- Household improvements necessary for you, your spouse, or your dependents because of a medical condition, illness, or injury. Submit these costs separately under "Household Improvements Needed for Medical Care" in the Extraordinary Expenses section of Form TSP-76.