

The Thrift Savings Plan (TSP)

The Thrift Savings Plan (TSP) is a voluntary retirement savings and investment plan for federal employees. The best way to assure that your retirement income meets your needs is to start investing in the Thrift Savings Plan at the beginning of your Federal service, and to continue to do so throughout your career. The agency will set up a Thrift Savings Plan account for you and will automatically contribute an amount equal to 1% of your basic pay each pay period. These Agency Automatic (1%) Contributions are not taken out of your salary, and your agency makes these contributions whether or not you contribute your own money to the TSP.

You are also able to make tax-deferred contributions to the TSP and a portion is matched by the Government. The agency will automatically enroll new employees in the TSP with a contribution of 3 percent of the employee's salary unless the employee raises or lowers the amount. The agency will match \$1.00 for every \$1.00 you invest for the first 3 percent of your basic salary, and 50 cents for each \$1.00 you invest for the next 2 percent of your basic salary. The agency contributions are not taken out of your salary; they are an extra benefit to you. You may contribute up to the maximum amount permitted by the IRS annual limit (currently \$17,500).

You can start, change, stop, and resume TSP contributions at any time. There is no waiting period. Contribution allocations or interfund transfers, can be made at any time by using the [TSP Website](#) or the ThriftLine 1-877-968-3778 or by submitting a TSP-50 Investment Allocation form to TSP.

The Thrift Savings Plan (TSP) offers two types of investment options: Lifecycle Funds and Individual TSP funds. Ideally, you will choose either the Lifecycle Fund that is appropriate for your time horizon (that is, when you will begin to use the money), or individual TSP funds that will support your personal investment strategy. However, you may invest in any fund or combination of funds.

Lifecycle Funds:

- L 2050, 2045 or later
- L 2040, 2035 through 2044
- L 2030, 2025 through 2034
- L 2020, Now through 2024
- L Income, If you are already withdrawing your account in monthly payments.

The Five Investment Funds

- The G Fund, Government Securities Investment Fund: this is a short-term, risk-free investment.
- The F Fund, Fixed Income Index Investment Fund: invested in a bond index fund that tracks the Lehman Brothers US. Aggregate (LBA) bond index.
- The C Fund, Common Stock Index Investment Fund: invested in a stock index fund that tracks the Standard & Poor's (S&P) 500 stock index (comprised of large companies).
- The S Fund, Small Capitalization Stock Index Investment Fund: invested in a stock index fund that tracks the Wilshire 4500 stock index (comprised of small and medium companies).
- The I Fund, The International Stock

Index Investment Fund:

invested in a stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australia, Far East) stock index (comprises stock in 21 countries).

Note to Federal Employees with TSP Loans

It is your responsibility to ensure that information regarding any and all TSP Loan payments is provided to your new agency. It is extremely important to provide this information to the Human Resources Office upon arrival for work to prevent any interruption of loan repayment.

TSP Catch-Up

Catch-Up contributions are supplemental, tax-deferred employee contributions that are in addition to regular contributions. TSP participants age 50 or older who are currently employed and in pay status and contributing the maximum TSP contribution percentage allowed by their retirement coverage or an amount that will cause them to reach the IRS limit by the end of the year may participate. The TSP Catch-Up limit is \$5,000.

Additional Information on TSP:

The Federal Retirement Thrift Investment Board administers the TSP and the Department of Agriculture's National Finance Center (NFC) serves as the TSP record keeper. NFC is responsible for maintaining accounts and mailing out semiannual statements to the participants. In addition, NFC also processes contribution allocations, loans, withdrawals, interfund transfers, and beneficiary designations. You can access the TSP website 24 hours a day for general account information, to request interfund transfers and contribution allocations, to check the status of your loan request, and for up-to-date TSP materials and information. This information also is available by calling the automated ThriftLine (1-877-968-3778). You will need your TSP account number and TSP Personnel Identification Number (PIN) to access either site.