

# THRIFT SAVINGS PLAN (TSP)

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The purpose of the TSP is to provide retirement income. The TSP offers Federal employees the same type of savings and tax benefits that many private corporations offer their employees under "401(k)" plans.

The Federal Retirement Thrift Investment Board administers the TSP and contracts with the U.S. Department of Agriculture's National Finance Center (NFC) to serve as the TSP record keeper.

The Federal Retirement Thrift Investment Board is an independent Government agency. The Board consists of five members who serve in a part-time capacity. They are nominated by the President and confirmed by the Senate. The five members of the Board and the Executive Director are required by law to manage the TSP prudently and solely in the interest of the participants and their beneficiaries.

Money in the TSP and earnings on that money cannot be used for any purpose other than providing benefits to participants and their beneficiaries and paying TSP administrative expenses.

## ***Employee Contributions***

FERS Participants - You may contribute to TSP on a pay period basis, either in percentage of salary amounts or whole dollar amounts up to an annual dollar maximum. This limit, set by the IRS is \$16,500 for 2011.

Once you are eligible, you will receive:

- Agency Automatic (1%) Contributions
- Agency Matching Contributions
- Immediate vesting in Agency Matching Contributions and vesting - generally in 3 years - in Agency Automatic (1%) Contributions

CSRS Participants - You may contribute on a pay period basis up to \$16,500 annually (for 2011) to your TSP account. You do not receive any agency contributions.

## ***Employer Matches***

	FERS	CSRS
1%-3% of basic pay are matched	100%	0%
4%-5% of basic pay are matched	50%	0%
6% +	0%	0%

FERS - 1% automatic agency contribution.

## ***Investment of TSP Accounts***

There are six investment funds for TSP accounts, the G Fund, C Fund, F Fund, S Fund, I Fund and the Life-cycle funds, L Fund. All employees may elect to invest any portion of their current account balances and/or future contributions between the funds in any way they choose. The assets of the G Fund are managed internally by the Federal Retirement Thrift Investment Board. The assets of the F, C, S, and I Funds are managed by outside investment firms. The Board currently has contracts with Barclays Global Investors, a U.S.-based subsidiary of Barclays PLC (a publicly listed financial services company

based in London, England) to manage the F, C, S, and I Fund assets. Barclays invests the assets of the F, C, S, and I Funds into commingled trust funds, in which the assets of many tax-deferred employee benefit plans are combined and invested together. The F, C, S, and I Funds remain invested in the Barclays funds regardless of the performance of the securities markets. The Barclays funds in which the F, C, S, and I Funds are invested are index funds, or passively managed funds, whose portfolios are based on the composition of a market index. The L Funds are invested in the five individual TSP funds based on professionally determined asset allocations. When investing in the funds, you will sign a statement that you understand that you are making an investment at your own risk. You will also not be protected by either the U.S. Government or the Federal Retirement Thrift Investment Board against investment loss in the Funds, nor do they guarantee a return on your investment.

## ***Thrift-line***

The thrift-line is an automated telephone service for participants which provides current account information 24 hours a day, 7 days a week. The ThriftLine is **877-968-3778**. You will need to know your PIN and S.S. numbers. Also accessible online through TSP website: [www.tsp.gov](http://www.tsp.gov).

You can use the Thrift-Line for the following:

- Account balance. (Total you have in each Fund)
- Interfund transfer request. (1 per month. 4 a year)
- Loan information. (Status of a loan)
- Status of a withdrawal
- Most recent rates of return on the C, F, G Funds.
- Change your Personal Identification Number (PIN).

## ***TSP LOAN PROGRAM***

### ***Eligibility***

- Current employee in a pay status.
- TSP account must have at least \$1,000 in employee contributions and associated earnings.
- Loan balance must be within limits of federal tax law.
- Amount left in paycheck after loan payment and other deductions must equal at least 10% of basic pay.
- Must document expenses for the allowed purposes (described below) or demonstrate financial hardship.
- FERS employees must get spousal consent.

### ***Purposes***

- Purchase of a Primary Residence - Primary residence includes a house, condominium, townhouse, or mobile home which is not used on a transient basis .
- General Purpose Loans - Loans are available for any purpose according to plan guidelines. You may have one general loan and one residential loan from your TSP account at anyone time.
- Financial Hardship - Participants may also qualify for a hardship loan.

### ***Terms of Loan***

- Residential is 1 to 15 years.
- General Purpose is 1 to 5 years.