



THRIFT  
SAVINGS  
PLAN

As of November 1, 2010

# TSP Overview

- ◆ Introduction
- ◆ TSP benefits
- ◆ Contribution rules
- ◆ Portability
- ◆ Participant resources

# TSP Overview

- ◆ Investment options
- ◆ Loan program
- ◆ In-service withdrawals
- ◆ Post-service withdrawals
- ◆ Death benefits

# Retirement Program Categories

- ◆ Defined Benefit Program
  - Pre-determined formula based on years worked and average salary
  - CSRS and FERS Basic Annuity
- ◆ Defined Contribution Program
  - Benefit based on contributions and return on investments
  - TSP and 401(k) type plans

# CSRS and CSRS Offset

- ◆ Defined benefit program
- ◆ One-tiered benefit based on a formula of years worked and average salary
- ◆ Rewards employees for longevity
  - Up to 42 years of service
- ◆ Pays a maximum of 80% of highest 3 year average grade and step
  - Sick leave can increase benefit over 80%

# FERS

- ◆ Three-tiered retirement system comprised of defined benefit and defined contribution programs
- ◆ Basic annuity component administered by the OPM
  - Based on years worked and high-3 average salary
- ◆ Social Security component administered by the Social Security Administration (SSA)
  - Benefit pays a percentage replacement rate of average salary earned from Social Security deductions
- ◆ TSP component is administered by the FRTIB
  - Benefit received based on contributions and return on investments

# TSP Tax Benefits

- ◆ All participants receive a Federal tax deferral on contributions made to the TSP
- ◆ Contributions are deducted from pay before Federal taxes are withheld
- ◆ Federal taxes are computed and withheld from the reduced salary
- ◆ Participants defer taxes on the TSP account until a withdrawal of the account is made
- ◆ Tax deferral of TSP is determined by each State or County

# TSP Tax Benefits Example

Bi-Weekly Basic Pay	\$1,408.00
TSP Election:	X 10%
TSP Deduction:	\$140.80
Basis for Federal Tax Withholding:	\$1,408.00
	- \$140.80
Taxable Income:	\$1,267.20
Annual Income Earned:	\$36,608.00
Annual TSP Contributions:	- \$3,660.80
Taxable Income:	\$32,947.20

# Retirement Savings Contribution Credit

<b>Adjusted Gross Income (AGI) limits for 2010</b>			
Married Filing Joint	Head of Household	All Other Filers	Credit Max Per Person
\$ 1 - \$33,500	\$1 - \$25,125	\$ 1 - \$16,750	50% of contributions (\$1,000)
\$33,501 - \$36,000	\$25,126 - \$27,000	\$16,751 - \$18,000	20% of contributions (\$400)
\$36,001 - \$55,500	\$27,001 - \$41,625	\$18,000 - \$27,750	10% of contributions (\$200)
Over \$55,500	Over \$41,625	Over \$27,750	No Credit

# Retirement Savings Contribution Credit Example

Tax Status	Married Filing Joint
Annual Income Earned	\$36,608.00
Contribute 10% to TSP	- \$3,660.80
Taxable Income	\$32,947.20

- ◆ Eligible for maximum credit based on reduced taxable income
- ◆ Federal taxes owed between \$1 and \$1,000.00 will be reduced
- ◆ For example, if the participant owed \$500 in taxes, the \$500 tax liability would be eliminated; if the participant owed \$2,000 in taxes then he would owe \$1,000 after the credit is applied

# TSP Contribution Rules - FERS

- ◆ Employee Contributions
  - Elections to start, change, and stop contributions can be made at any time
  - Immediately eligible upon hire/rehire; starting August 2010, automatically enrolled at 3% of basic pay when hired/rehired
  - May elect any dollar amount or percentage up to IRS elective deferral limit (\$16,500 for 2010)
  - Always vested
  
- ◆ Immediately eligible for agency contributions:
  
- ◆ Agency Automatic (1%) Contributions
  - Subject to vesting
  - Not based on Employee Contributions
- ◆ Agency Matching Contributions
  - Based on first 5% of Employee Contributions
  - 4% maximum
    - \$1/\$1 for 1st 3%
    - 50¢/\$1 for next 2%
  - Always vested

# Maximizing Agency Matching Contributions

- ♦ Ed and Susan earn the same annual salary of \$130,000; bi-weekly \$4,983.22
- ♦ Ed elects 20% and Susan elects 13% to contribute to the TSP
- ♦ Both will contribute \$16,500 this year, however Ed will **not** maximize his agency contributions
- ♦ Ed and Susan will both receive \$1,295.58 in Agency Automatic (1%) Contributions

ED - \$4,983.22 Basic Pay		
Pay	<u>20% EC</u>	<u>4% Matching</u>
check #1	\$996.64	\$199.32
PC #2	\$996.64	\$199.32
PC #3	\$996.64	\$199.32
PC #4	\$996.64	\$199.32
.....		
PC #16	\$996.64	\$199.32
PC #17	<u>\$553.76</u>	<u>\$199.32</u>
<b>Total PC #17</b>	<b>\$16,500.00</b>	<b>\$3,388.44</b>

SUSAN - \$4,983.22 Basic Pay		
	<u>13% EC</u>	<u>4% Matching</u>
PC #1	\$ 647.82	\$199.32
PC #2	\$ 647.82	\$199.32
PC #3	\$ 647.82	\$199.32
PC #4	\$ 647.82	\$199.32
.....		
PC #16	\$ 647.82	\$199.32
PC #17	<u>\$ 647.82</u>	<u>\$199.32</u>
<b>Total PC #17</b>	<b>\$11,012.94</b>	<b>\$3,388.44</b>
PC #18	\$ 647.82	\$199.32
PC #19	\$ 647.82	\$199.32
.....		
PC #25	\$647.82	\$199.32
PC #26	<u>\$304.50</u>	<u>\$199.32</u>
<b>Total PC #26</b>	<b>\$16,500.00</b>	<b>\$5,182.32</b>

# TSP Contribution Rules - CSRS

- ◆ Employee Contributions
  - Elections to start, change, and stop contributions can be made at any time
  - Immediately eligible upon rehire to contribute
  - Any dollar amount or percentage up to IRS elective deferral limit (\$16,500 for 2010)
  - Always vested
- ◆ No Agency Contributions

# Catch-Up Contributions

- ◆ To become eligible for the catch-up a participant must:
  - Be age 50 or older, or will turn age 50 in the calendar year the contribution is deducted from pay
  - Not be in the 6 month termination period because of a TSP financial hardship in-service withdrawal
- ◆ The election is by dollar amount using Form TSP-1-C or agency electronic submission (\$5,500 for 2010)
- ◆ The catch-up contributions are tax-deferred but do not count toward the IRS elective deferral limit (\$16,500 for 2010) (\$16,500 + \$5,500 = \$22,000)

# TSP Transfers and Rollovers

- ◆ Active or separated participants may transfer or rollover into the TSP money from:
  - Eligible employer plans under the IRC
    - e.g. 401(k), 403(a), 403(b) or 457(b) governmental plans
  - Traditional, SIMPLE, and SEP individual retirement accounts or annuities (IRAs) under section 408(a) or 408(b) of the IRC
    - Does not include Roth, education, or inherited IRAs
    - Transfer from a SIMPLE IRA must be accompanied by documentation showing at least two years of participation
- ◆ Submit Form TSP-60 available from the TSP website
- ◆ The amount transferred or rolled over into the TSP account is allocated according to the current contribution allocation on file
- ◆ The amount will be reflected as employee contributions in the account after it has been valued by the TSP



## Welcome to the Thrift Savings Plan

The Thrift Savings Plan (TSP) is a retirement savings plan for civilians who are employed by the United States Government and for members of the uniformed services.

1 2 3

[My Account](#) | [Plan Participation](#) | [Investment Funds](#) | [Planning & Tools](#) | [Life Events](#) | [Participant Support](#)

Text size: [+](#) [-](#)

### Plan Participation

How to set up and manage your TSP account

- ▶ [Rules for Contributing](#)
- ▶ [Managing Contributions](#)
- ▶ [How to Read your Statements](#)
- ▶ [More...](#)

### Investment Funds

TSP fund types and performance

- ▶ [Fund Comparison](#)
- ▶ [Share Prices](#)
- ▶ [Fund Performance](#)
- ▶ [More...](#)

### Planning & Tools

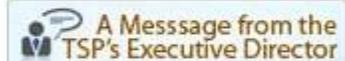
Retirement planning and tools for all career stages

- ▶ [Before You Invest](#)
- ▶ [Calculators](#)
- ▶ [Nearing Retirement](#)
- ▶ [More...](#)

### Life Events

Help with life events affecting your TSP account

- ▶ [Separate from Government Service](#)
- ▶ [Marriage/Divorce](#)
- ▶ [Ready Reserve](#)
- ▶ [More...](#)



You talked. We listened.

### BULLETIN BOARD

- [Required Minimum Distributions: What You Need to Know](#)
- [3Q Participant Statement on the Web and in the Mail](#)
- [Elective Deferral Limit for 2010](#)
- [Questions and Answers About Contributing to the TSP](#)
- [Form TSP-U-3 and Many More Now Fillable](#)
- [Legislative changes to the Thrift Savings Plan](#)

### QUICK LINKS

- |  |  |   |  |                                     |
|--|--|---|--|-------------------------------------|
| ▶ <a href="#">About the TSP</a>              | ▶ <a href="#">Lifecycle Funds</a>              | ▶ <a href="#">Request an Interfund Transfer</a> | ▶ <a href="#">Catch-up Contributions</a> | ▶ <a href="#">Site Tour</a>         |
| ▶ <a href="#">Becoming a TSP Participant</a> | ▶ <a href="#">View Account Balance</a>         | ▶ <a href="#">Forms &amp; Publications</a>      | ▶ <a href="#">Request a Loan</a>         | ▶ <a href="#">Glossary of Terms</a> |
| ▶ <a href="#">How Do I...</a>                | ▶ <a href="#">View Recent Account Activity</a> | ▶ <a href="#">Tax Information</a>               | ▶ <a href="#">Withdrawals</a>            | ▶ <a href="#">Change Address</a>    |



# TSP Website

www.tsp.gov

VISIT  
WWW.TSPGOV

MY  
ACCOUNT

PLAN  
PARTICIPATION

INVESTMENT  
FUNDS

PLANNING  
& TOOLS

LIFE  
EVENTS

OTHER  
RESOURCES

Log into your account from the home page:

**MY ACCOUNT**

TSP Account Number

OR

User ID

Forgot your account number or user ID?

**Log In**

**You can:**

- View your account balance
- Change your contribution allocation
- Request an interfund transfer
- Request a loan or withdrawal
- Create (or change) a user ID
- Change or request a Web password

**Learn about:**

- Benefits of TSP participation
- TSP eligibility and how to establish your account
- Contribution types and limits
- Rollovers and transfers
- Contribution allocations and interfund transfers
- Loans and withdrawals

**Get information on:**

- TSP fund options
- Earnings components and expense ratios
- Daily and historical share prices
- Current and historical rates of return

**Learn how to:**

- Develop an investment strategy
- Maximize your retirement savings
- Determine how much to save and contribute
- Use the calculators to estimate loan payments, TSP monthly payments, and annuity payments

**Manage your TSP account when you:**

- Enter or leave Government service
- Get married, have children, or get divorced
- Are called to active duty

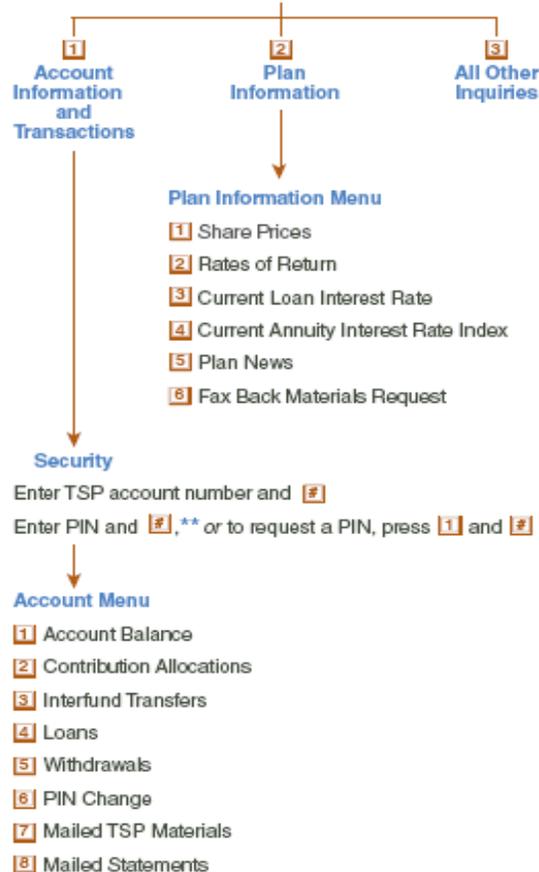
**Get quick access to:**

- Current limits and rates
- TSP forms and publications
- Plan news

# ThriftLine

1-TSP-YOU-FRST\*  
(1-877-968-3778)

**MAIN MENU**



\* Outside U.S. and Canada: 404-233-4400 (not toll free).  
 \*\* If you have both a civilian and a uniformed services account, you will be taken to the account that is specific to the PIN you entered. If you have customized your PIN to be the same for both accounts, you will be asked which account you wish to access.

TSPLF09 (7/2010)

# Contribution Elections

- ◆ Participants may elect to start, stop, change, or resume contributions at any time
  - Election to contribute is submitted to agency only
  - TSP cannot process elections to deduct from pay
  - Elections must be expressed in whole dollar or whole percentage amounts
- ◆ Form TSP-1 used by employees to elect to contribute (electronic versions can also be used – MyPay, Employee Self-Service, PostalEase, Best, EBIS, etc.)
- ◆ The election is effective the first full pay period after receipt by the agency
- ◆ Catch-up contributions require a separate TSP election

# Contribution Allocation or Interfund Transfer?

**When you want to “change” your investments, make sure you make the correct investment election!**

## Contribution Allocation

- Allocates future contributions and loan payments until superseded by new allocation election
- ThriftLine, or website
- Change in allocation is generally effective as of close of business each day based on 12 noon ET cutoff
- Confirmation via website or mail

## Interfund Transfer

- One-time transaction; account balance remains as invested until participant makes another interfund transfer
- ThriftLine, or website
- Change in account balance distribution is generally effective as of close of business each day based on 12 noon ET cutoff
- Confirmation via website or mail

# Interfund Transfer Rule

- For each calendar month, the *first two* interfund transfers can redistribute money in a participant's account among any or all of the TSP funds. After that, for the remainder of the month, IFTs can *only* move money into the G Fund

## Example

G	80%
F	
C	
S	
I	20%

Balance at beginning of month

G	100%
F	
C	
S	
I	

First IFT in month

G	10%
F	
C	30%
S	5%
I	55%

Second IFT in month

G	40%
F	
C	10%
S	5%
I	45%

Next IFT in same month - Increase G Fund

G	55%
F	
C	5%
S	
I	40%

Another IFT in same month - Increase G Fund

As of November 1, 2010

# The 10 TSP Investment Funds

- ◆ Government Securities Investment (G) Fund
- ◆ Fixed Income Index Investment (F) Fund
- ◆ Common Stock Index Investment (C) Fund
- ◆ U.S. Small-capitalization Stock Index Investment (S) Fund
- ◆ International Stock Index Investment (I) Fund
- ◆ Lifecycle Investment (L) Funds



## TSP Funds Annual and Monthly Returns

November 1, 2010

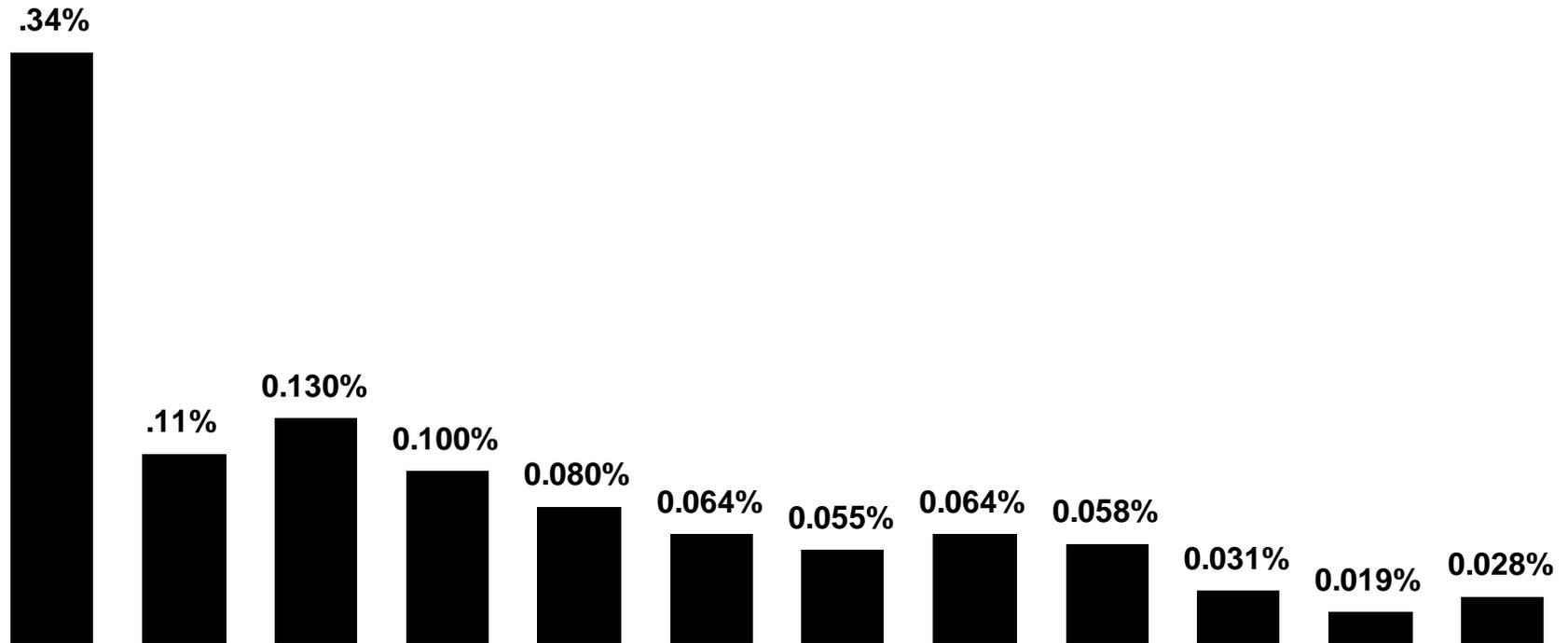
	L 2040	L 2030	L 2020	L 2010	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
<b>2005</b>	-	-	-	-	-	4.49%	2.40%	4.96%	10.45%	13.63%
<b>2006</b>	16.53%	15.00%	13.72%	11.09%	7.59%	4.93%	4.40%	15.79%	15.30%	26.32%
<b>2007</b>	7.36%	7.14%	6.87%	6.40%	5.56%	4.87%	7.09%	5.54%	5.49%	11.43%
<b>2008</b>	(31.53%)	(27.50%)	(22.77%)	(10.53%)	(5.09%)	3.75%	5.45%	(36.99%)	(38.32%)	(42.43%)
<b>2009</b>	25.19%	22.48%	19.14%	10.03%	8.57%	2.97%	5.99%	26.68%	34.85%	30.04%

<b>2009</b>										
Nov	3.98%	3.55%	3.00%	1.47%	1.27%	0.26%	1.30%	6.00%	3.85%	3.16%
Dec	2.12	1.85	1.50	0.70	0.59	0.25	(1.55)	1.94	6.57	1.43
<b>2010</b>										
Jan	(2.88)	(2.49)	(2.03)	(0.58)	(0.45)	0.29	1.54	(3.60)	(2.43)	(5.17)
Feb	2.18	1.94	1.61	0.81	0.74	0.24	0.38	3.11	4.89	0.06
Mar	5.15	4.52	3.75	1.61	1.43	0.27	(0.11)	6.04	7.39	6.28
Apr	1.05	0.94	0.76	0.51	0.50	0.28	1.07	1.58	4.82	(2.35)
May	(6.97)	(6.07)	(4.98)	(1.64)	(1.50)	0.28	0.85	(7.99)	(7.51)	(11.20)
June	(3.47)	(2.98)	(2.34)	(0.68)	(0.61)	0.24	1.56	(5.24)	(6.90)	(1.75)
July	6.60	5.80	4.82	1.81	1.81	0.23	1.07	7.01	7.00	10.78
Aug	(3.33)	(2.88)	(2.29)	(0.62)	(0.63)	0.22	1.28	(4.51)	(5.59)	(3.14)
Sept	7.76	6.77	5.54	2.00	2.00	0.17	0.17	8.92	11.47	9.81
Oct	3.16	2.78	2.29	0.92	0.92	0.18	0.36	3.80	4.48	3.63
<b>Last 12 Months</b>	<b>15.18%</b>	<b>13.65%</b>	<b>11.63%</b>	<b>6.41%</b>	<b>6.18%</b>	<b>2.94%</b>	<b>8.16%</b>	<b>16.53%</b>	<b>29.17%</b>	<b>9.78%</b>

Percentages in ( ) are negative.

As of November 1, 2010

# Thrift Savings Fund Net Expense Ratio 1988 - 2009



- ◆ The average expense ratio for mutual index funds is 0.262% , or \$2.62 per \$1,000 (Lipper, Inc., 2009); median 401(k) expenses are .72%, or \$7.20 per \$1,000 (Investment Company Institute, 2009)
- ◆ The average expense ratio for the TSP is 0.028%, or \$0.28 per \$1,000 (Net administrative expenses are investment management fees after forfeitures)
- ◆ No additional expenses except loan processing fee of \$50

As of November 1, 2010

# G Fund

- ◆ Invested in nonmarketable U.S. Treasury Securities with 1 to 4 day maturities
- ◆ Rate is set once a month by the Treasury Department
- ◆ Rate based on closing market prices of all Treasury securities with 4 or more years to maturity
- ◆ No risk of loss (negative returns) in G Fund
- ◆ Managed in-house by the Board



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
1250 H Street, NW Washington, DC 20005

THRIFT SAVINGS PLAN FACT SHEET

Monthly G Fund Interest Rates

November 1, 2010

The following are monthly G Fund interest rates from January 2001 to the present, stated as annual rates. These rates are calculated based on the statutory formula. They do not reflect actual G Fund returns to participant accounts.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
JANUARY	5.375	5.250	4.000	4.250	4.250	4.500	4.750	4.000	2.125	3.500
FEBRUARY	5.375	5.250	4.125	4.125	4.125	4.625	4.875	3.500	2.750	3.125
MARCH	5.250	5.125	3.875	4.000	4.375	4.625	4.625	3.375	2.875	3.125
APRIL	5.250	5.625	4.000	3.875	4.500	5.000	4.750	3.375	2.500	3.375
MAY	5.500	5.250	4.000	4.500	4.250	5.125	4.625	3.750	2.875	3.250
JUNE	5.625	5.250	3.500	4.625	4.125	5.125	5.000	4.000	3.250	2.875
JULY	5.625	5.000	3.500	4.625	4.000	5.250	5.000	3.875	3.250	2.625
AUGUST	5.250	4.750	3.500	4.500	4.375	5.000	4.750	3.875	3.250	2.500
SEPTEMBER	5.125	4.375	3.500	4.125	4.125	4.750	4.500	3.750	3.125	2.125
OCTOBER	4.875	3.875	4.000	4.125	4.375	4.750	4.500	3.625	3.000	2.125
NOVEMBER	4.500	4.125	4.375	4.125	4.625	4.625	4.500	3.750	3.125	2.125
DECEMBER	5.000	4.500	4.375	4.375	4.625	4.500	4.000	2.750	2.875	

As of November 1, 2010

# F Fund

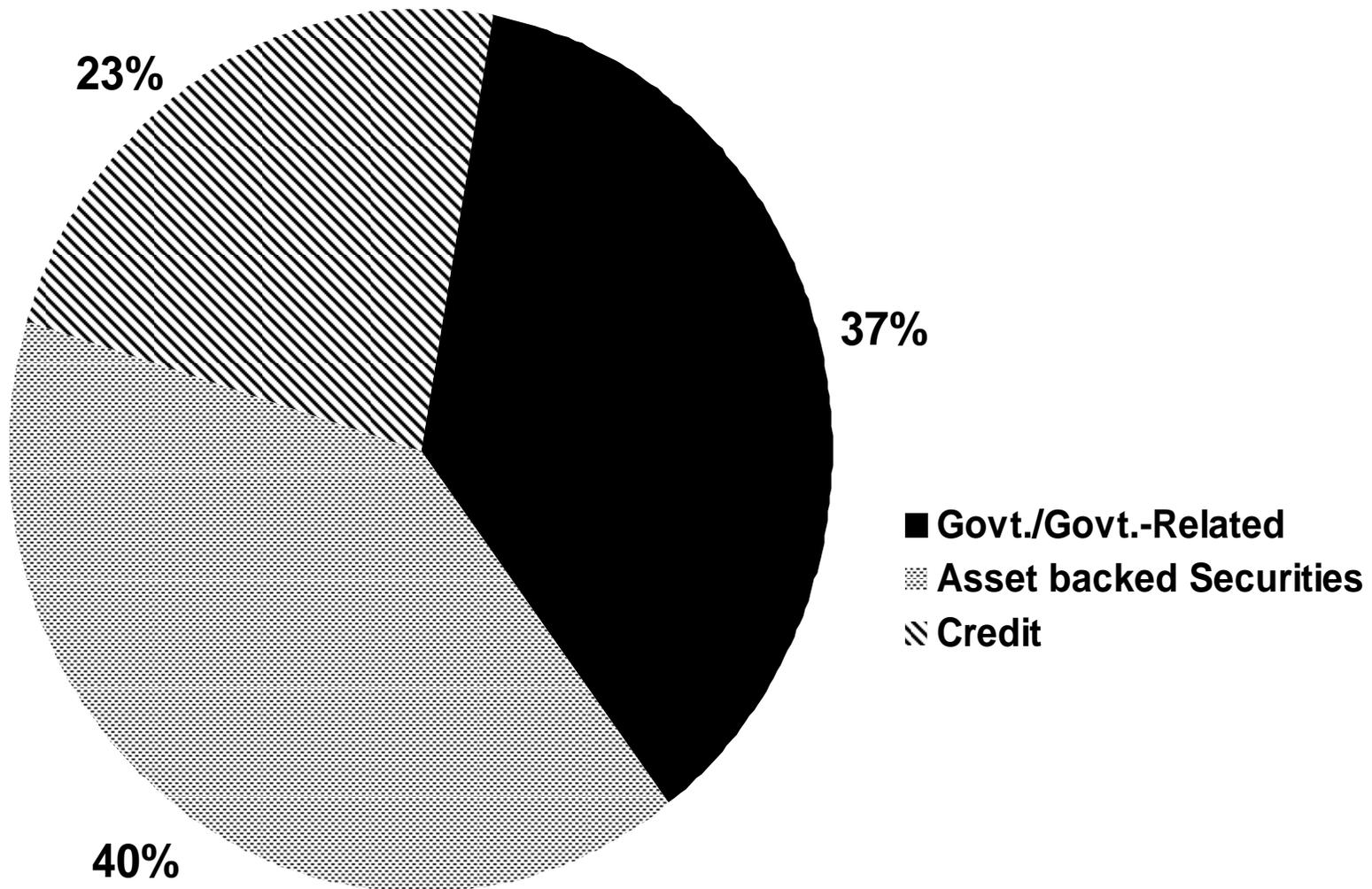
- ◆ Tracks the Barclays Capital U.S. Aggregate Bond Index
- ◆ U.S. Aggregate index represents sectors of the U.S. bond markets
  - Government/Government-related securities
  - Asset backed securities
  - Credit

# F Fund

- ◆ Managed by BlackRock Institutional Trust Company, NA in BlackRock's U.S. Debt Index Fund
- ◆ Index information and values can be found at <https://ecommerce.barcap.com/indices/index/dxml>

# U.S. Aggregate Index - Bond Market Sectors

## December 31, 2009



As of November 1, 2010

# C Fund

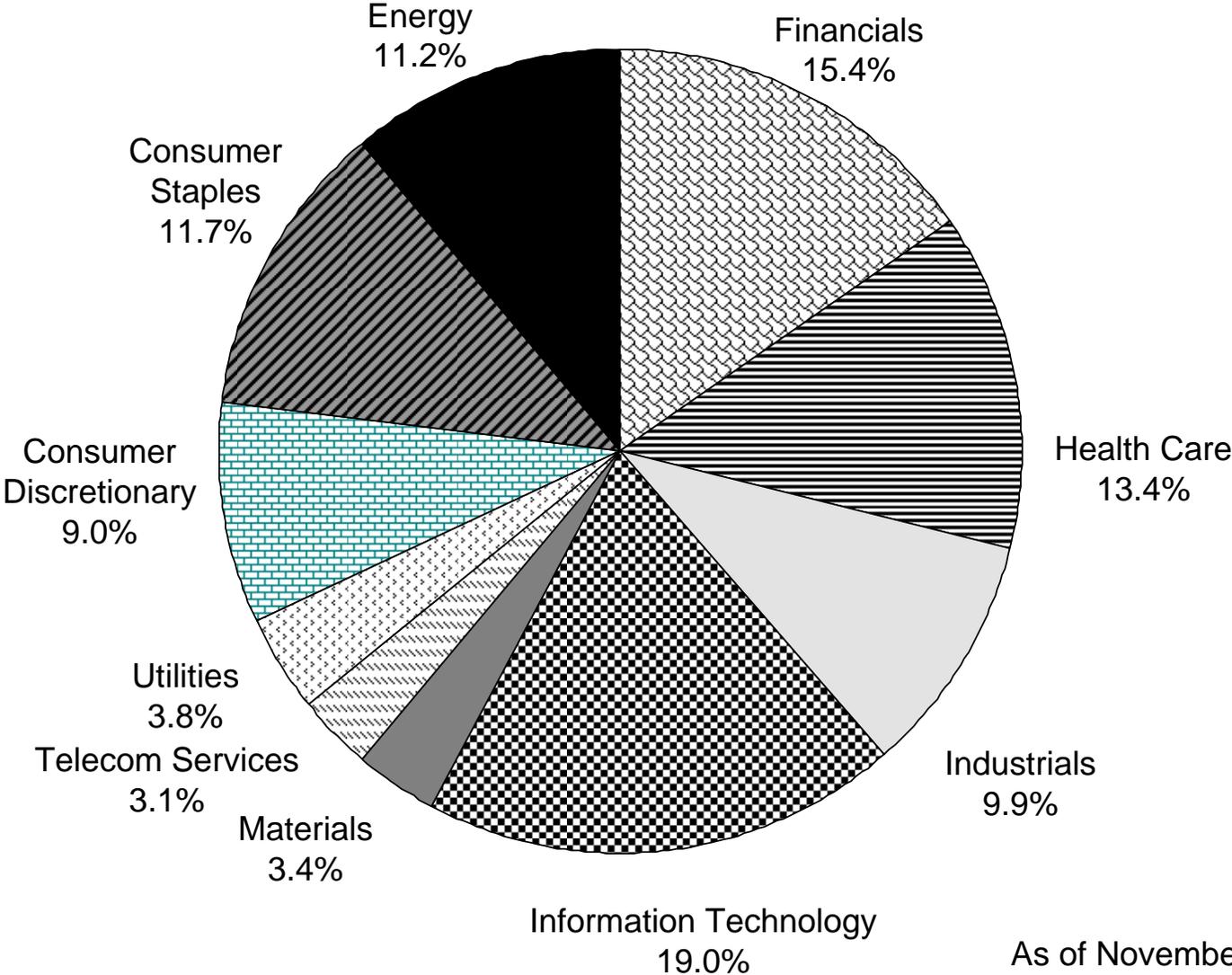
- ◆ Replicates the Standard & Poor's (S&P) 500 stock index
- ◆ S&P 500 index contains common stocks of 500 companies that represent the U.S. stock markets
- ◆ The total dollar value of the stocks in the S&P 500 makes up approximately 75% of the value of the U.S. stock markets

# C Fund

- ◆ Managed by BlackRock Institutional Trust Company, NA in BlackRock's Equity Index Fund
- ◆ Index information and values can be found at [www.spglobal.com](http://www.spglobal.com)

# S&P 500 Index - Major Industry Groups

## December 31, 2009



As of November 1, 2010

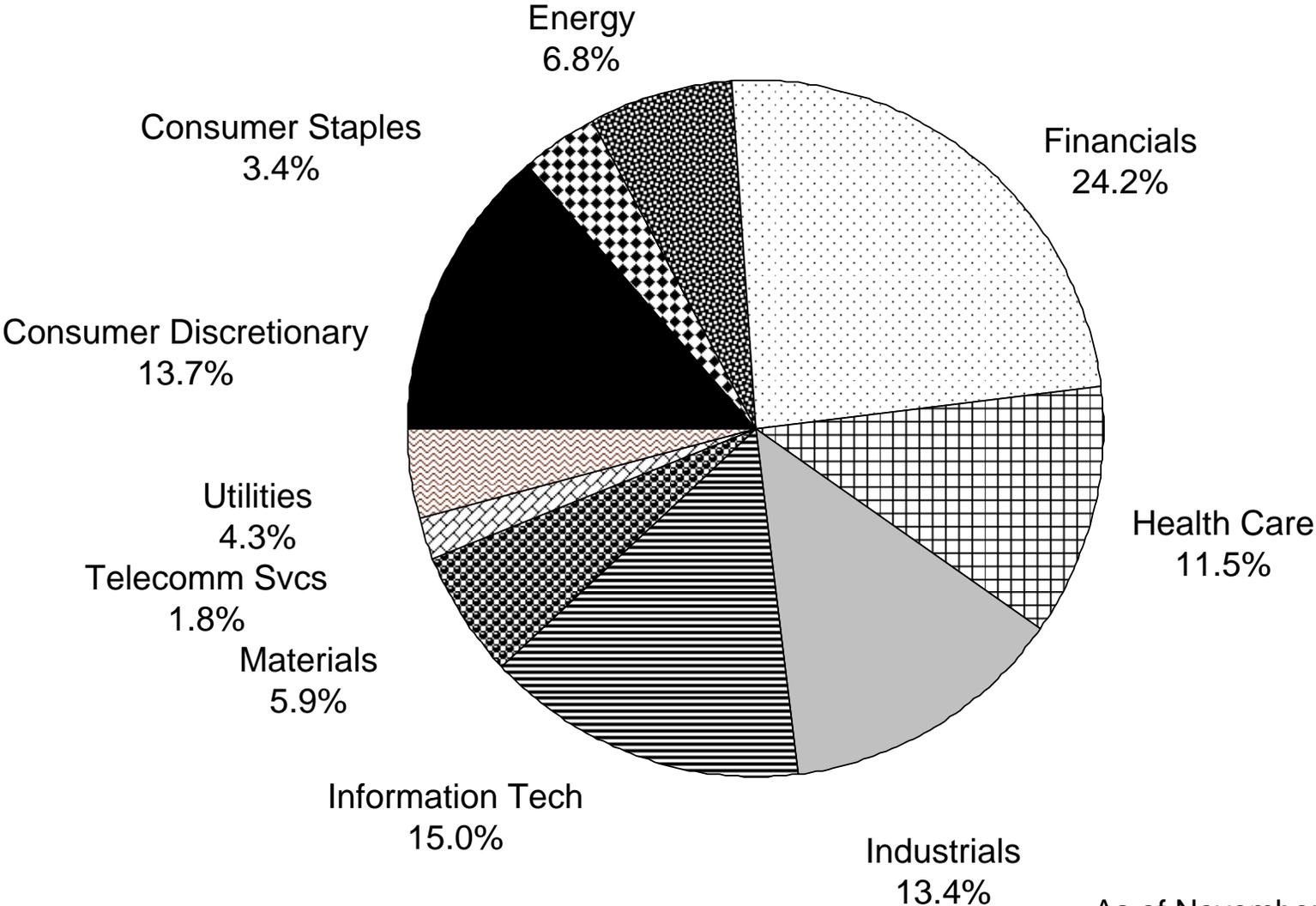
# S Fund

- ◆ Tracks the Dow Jones U.S. Completion Total Stock Market (TSM) Index
- ◆ The TSM contains all common stocks (except those in the S&P 500 index) actively traded in the U.S. stock markets on a daily basis
- ◆ The total dollar value of the stocks in the TSM makes up approximately 25% of the value of the U.S. stock markets

# S Fund

- ◆ Managed by BlackRock Institutional Trust Company, NA in BlackRock's Extended Market Index Fund
- ◆ Index information and values can be found at [www.djindexes.com/totalstockmarket](http://www.djindexes.com/totalstockmarket)

# DJ US Completion TSM Index Major Industry Groups December 31, 2009



As of November 1, 2010

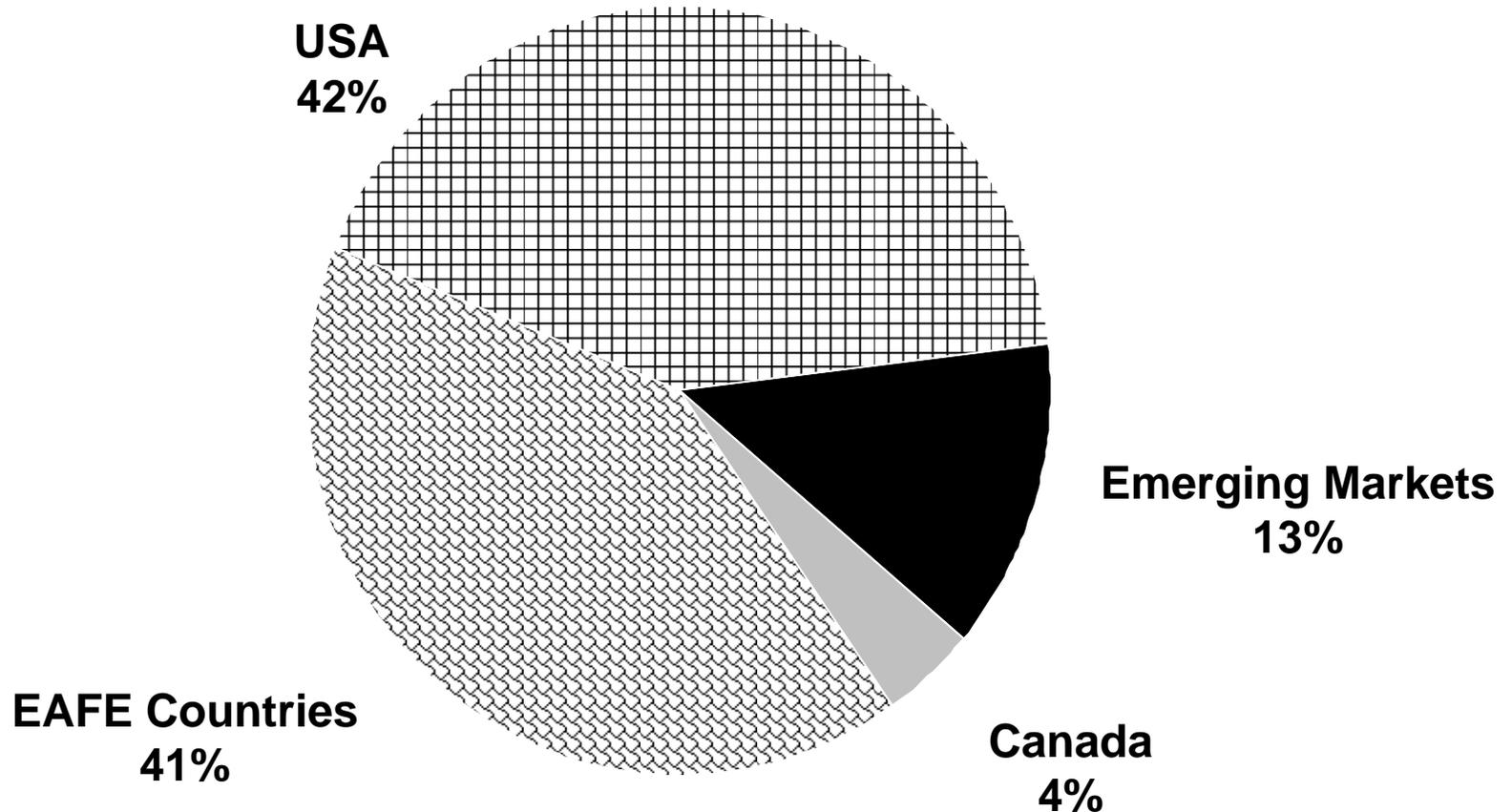
# I Fund

- ◆ Replicates the MSCI/BARRA Europe, Australasia, and Far East (EAFE) stock index
- ◆ EAFE contains stocks that cover approximately 85% of the stock markets of the 21 countries included in the index
- ◆ EAFE contains approximately 957 stocks that best represent each of the 21 stock markets

# I Fund

- ◆ Managed by BlackRock Institutional Trust Company, NA in BlackRock's EAFE Index Fund
- ◆ Index information and values can be found at [www.msctibarra.com](http://www.msctibarra.com)

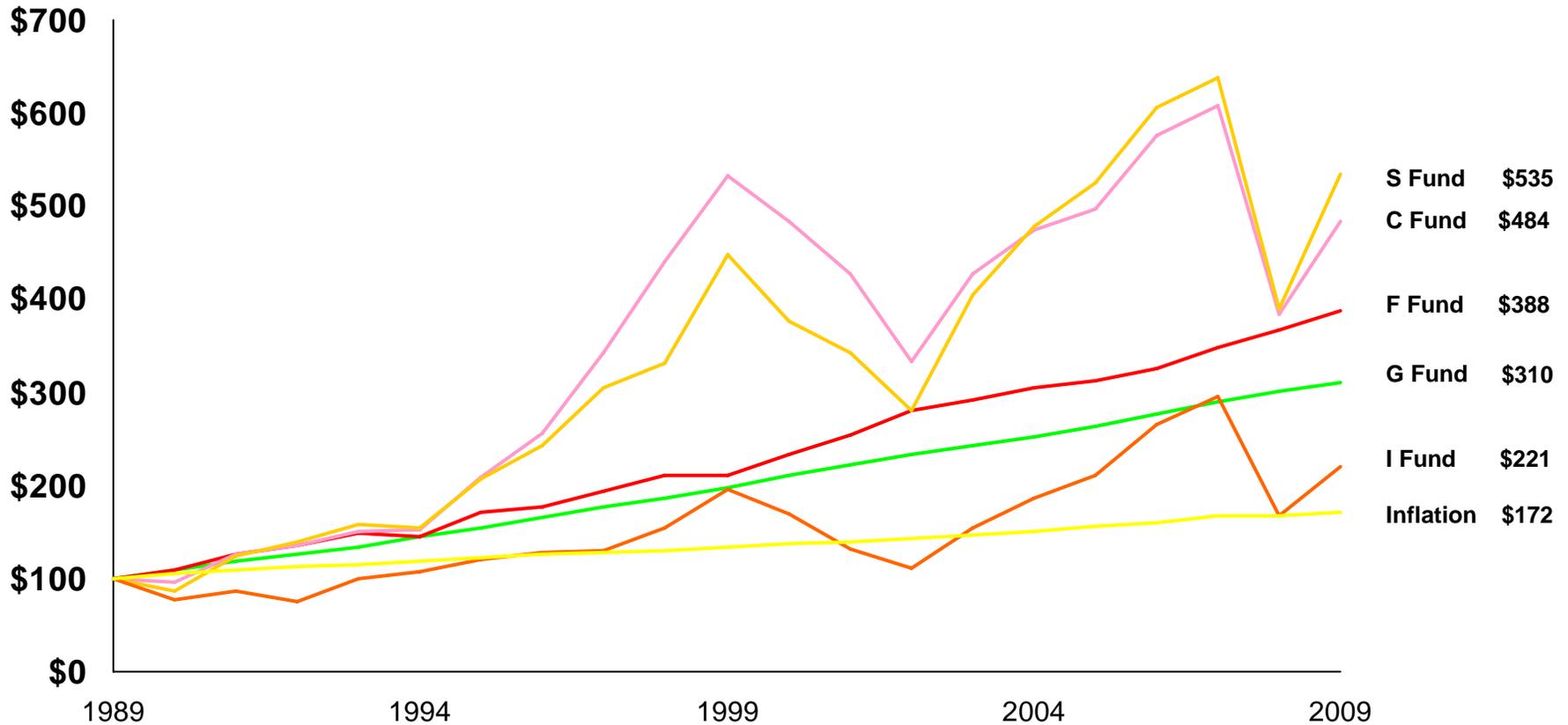
# World Stock Markets Allocation of Stock Market Value\* December 31, 2009



\*Allocation of MSCI ACWI Index. Source is Factset

As of November 1, 2010

# Growth of \$100 1989 – 2009



F Fund- Barclays Capital U.S. Aggregate Bond Index  
C Fund- Standard and Poor's 500 Stock Index

S Fund- Dow Jones U.S. Completion Total Stock Market Index  
I Fund- Morgan Stanley's Europe, Australasia, and Far East (EAFE) Stock Index

AS OF NOVEMBER 1, 2010

# TSP L Funds

- ◆ The L Funds are geared toward participants who do not have the:
  - Time
  - Interest
  - Comfort level to make active investment decisions among the funds
- ◆ Investment in the L Funds does not protect the participant from investment losses
- ◆ The L Funds are based on time horizon; the years 2040, 2030, 2020, 2010, or Today

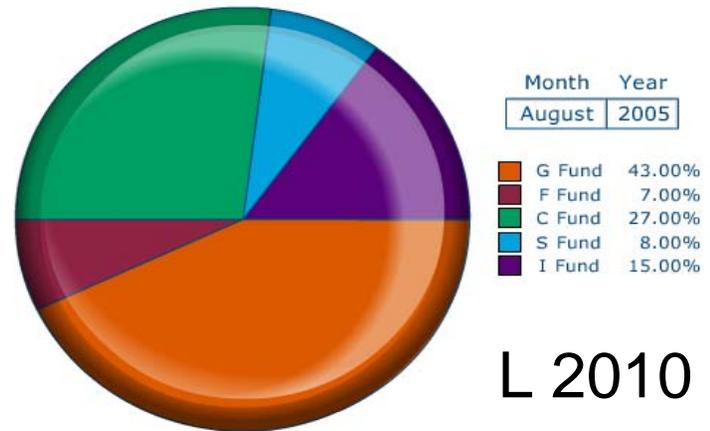
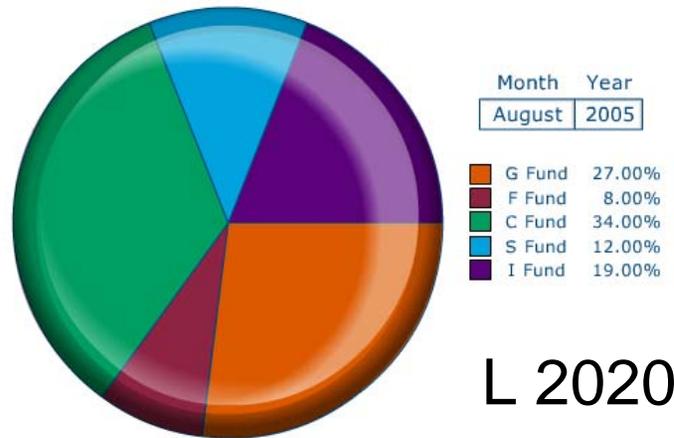
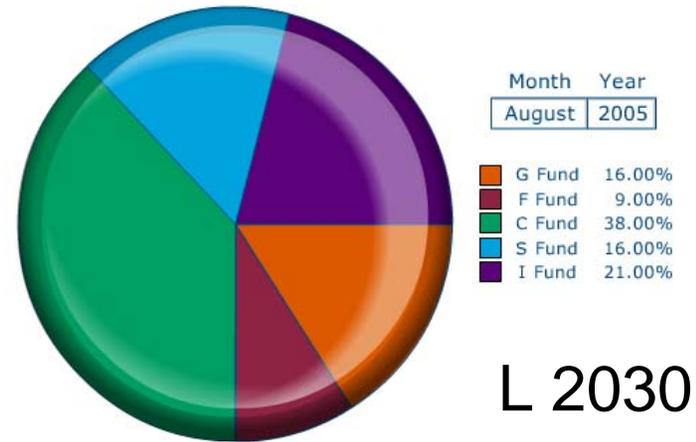
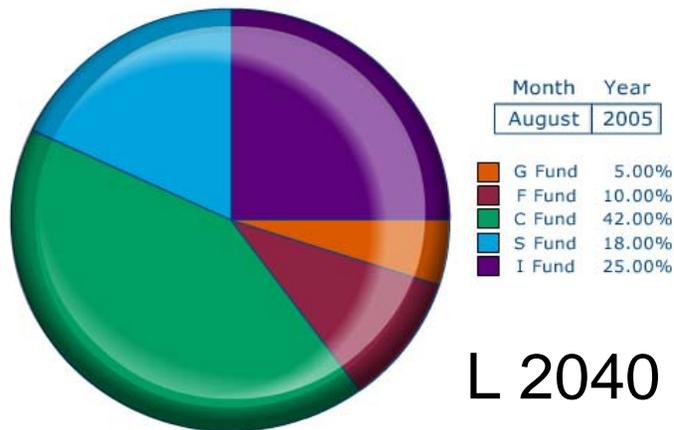
# TSP L Funds

- ◆ It's simple
  - Make one decision: When will you need your money?
- ◆ It's maintenance free
  - The L Funds are professionally designed and adjust automatically
- ◆ It's low cost
  - No additional costs
- ◆ It's flexible
  - Transfer to individual TSP funds at any time

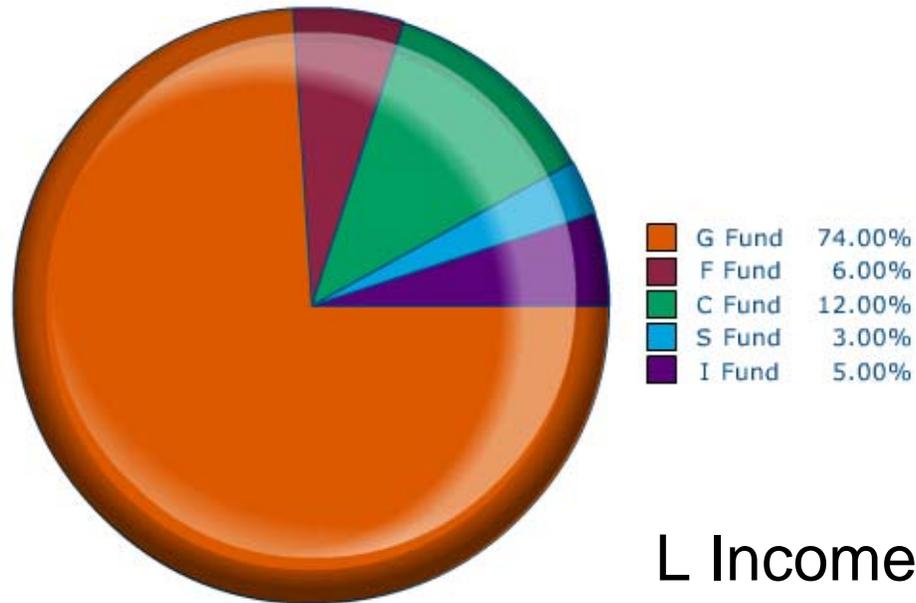
# L Funds

- ◆ The five Lifecycle Funds
  - L 2040 Fund
    - Time horizon 2035 and later
  - L 2030 Fund
    - Time horizon 2025 through 2034
  - L 2020 Fund
    - Time horizon 2015 through 2024
  - L 2010 Fund
    - Time horizon 2009 through 2014
  - L Income Fund
    - For those already or within 1 year of withdrawing their account
- ◆ In December 2010, the L 2010 Fund will be incorporated into the L Income Fund
- ◆ In January 2011, the L 2050 Fund will be established

# Initial L Funds Investment Allocation

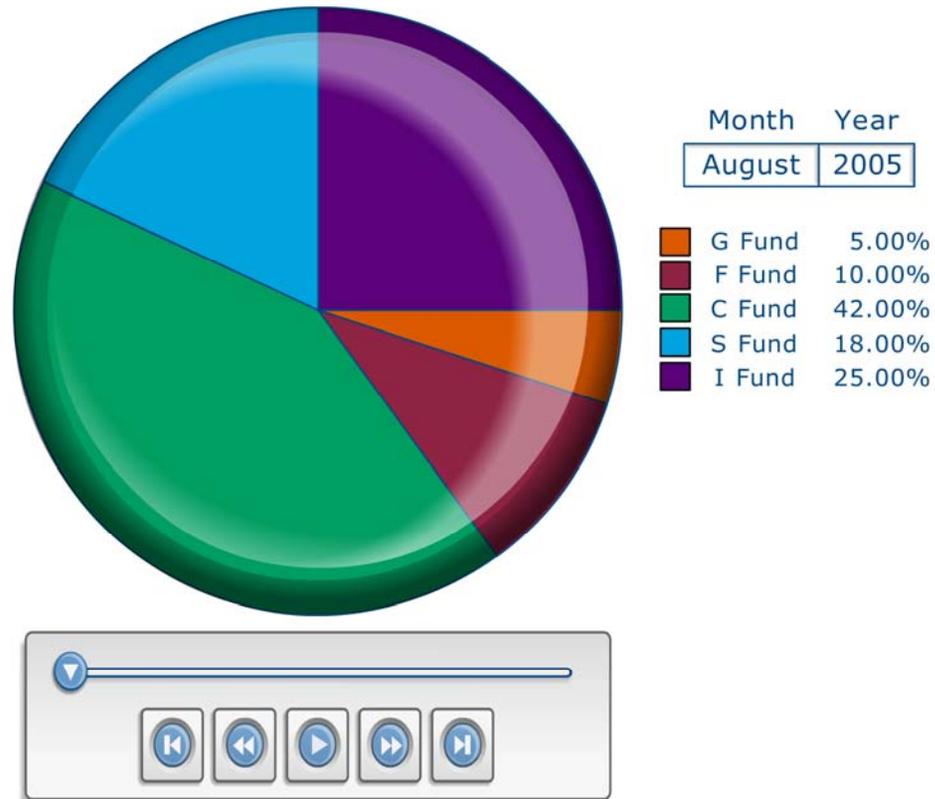


# L Income Fund Investment Allocation



- ◆ Note: When each L Fund reaches its target date, its distribution will match the L Income Fund investment and it will “roll into” the L Income Fund
- ◆ A new L Fund will be introduced when an L Fund reaches its target date

# L 2040 Investment Allocation Cycle



# Participant Statements

- ◆ Quarterly statements available at the end of each quarter
  - Can be viewed and printed from the TSP website
  - First statement is mailed; subsequent statements available on the TSP website
  - Can be mailed if requested:
    - Call the ThriftLine
    - Account access section of the TSP website
- ◆ Annual statements are mailed and posted on the TSP website
  - Participant may opt out of mailed annual statement
    - Call the ThriftLine
    - Account access section of the TSP website



**THRIFT SAVINGS PLAN  
PARTICIPANT STATEMENT**

The time period covered in this statement is here.

Please review this statement for accuracy . . . This space tells you whom to contact in case of errors on your statement.

If your name or address shown here is not correct, please contact your agency or service if you are active or the TSP if you are separated from service.

TSP Account Number: Your unique TSP number.  
 Date of Birth: }  
 Retirement Coverage: } Check to see if this information is correct.  
 Employment Status: }  
 Beneficiary Designation: Make sure your designation is current.  
 Service Required for Vesting: For FERS only, the vesting requirement pertains to Agency Automatic (1%) Contributions.  
 Legal Residence: For uniformed services members only.

**YOUR QUARTERLY ACCOUNT SUMMARY** This summarizes the activity in your account during the quarter. Details begin on page 2.

TSP FUNDS	Beginning Balance (mm/dd/yy)	Contributions and Additions	Withdrawals and Deductions	Interfund Transfers	Change in Value from Previous Quarter	Ending Balance (mm/dd/yy)
<b>Lifecycle Funds</b>	This space shows your balance at the beginning of the quarter for each of your investment funds.	This space shows the dollar amount(s) that went into your account during the statement period.	This space shows the dollar amount(s) removed from your account during the statement period.	This space shows the net amount of money that went into, or came out of, a fund as a result of interfund transfers.	This space shows the gains and losses for each investment fund (and for your total account). It does not include additions and deductions shown in the previous spaces.	This space shows the balance in each of your investment funds at the end of the quarter.
L 2040						
L 2030						
L 2020						
L 2010						
L Income						
<b>Individual Funds</b>						This space shows your total account balance.*
G Fund						
F Fund						
C Fund						
S Fund						
I Fund						
<b>Total</b>						

\*Your balance includes: This space shows the annual total of any catch-up contributions and the cumulative total of any tax-exempt money in your account.

How your future contributions and loan payments were allocated as of mm/dd/yy:

This space shows how you elected to invest your new contributions and loan payments at the end of the quarter.



How your ending account balance was distributed as of mm/dd/yy (see pie chart):

This space shows what percentage of your entire balance was in each of your investment funds at the end of the quarter. The information is displayed in the pie chart.

How your ending balance was distributed among the funds



TSP Web Site: [www.tsp.gov](http://www.tsp.gov)  
 THRIFTLINE: 1-TSP-YOU-FRST (1-877-968-3778) • Outside the U.S. and Canada, call 404-233-4400  
 TDD: 1-TSP-THRIFTS (1-877-847-4385)

Continued on reverse side

TSP/F13 (10/2007)  
 PREVIOUS EDITIONS OBSOLETE

**YOUR QUARTERLY LOAN SUMMARY** Any loan activity is summarized in this section. Details begin in the "Transaction Detail by Source" section below.

Loan ID	Principal as of Beginning of Quarter	Amount of New Loan	Principal Repaid	Nontaxable Distribution	Taxable Distribution	Reversal of Taxable Distribution	Principal as of End of Quarter	Interest Paid	Interest in Arrears	Last Loan Payment
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You will see this section only if you have a loan or loans, and you will see only those columns and column headers that apply to your loan(s).

**TRANSACTION DETAIL BY SOURCE** This section tells you which source of money (i.e., employee, Agency Automatic (1%), or matching) is affected by each transaction during the statement period. Interfund transfers are not displayed in this section because they do not affect any particular source of money.

Payroll Office	Posting Date	Transaction Type	Employee	Agency Automatic (1%)	Matching	Total
For all those transactions which are reported by your payroll office, this identifies the payroll office.	This space shows the date on which the transaction affected your account.	This space shows the transaction that occurred on the posting date. If the transaction is followed by a date, that date shows when the transaction should have been reported to the TSP. Where applicable, earnings adjustments will also be shown.	<p>For each transaction shown under Transaction Type, these columns show how much was deposited to or deducted from each source (i.e., employee, Agency Automatic (1%), or matching money).</p>			This space shows the total dollar amount of each transaction on the posting date.

**TRANSACTION DETAIL BY FUND** This section lists transactions for each fund in which you are invested. The transactions in the "Transaction Detail by Source" section (above) are repeated here, but displayed under the fund(s) that they affect.

**Government Securities Investment (G) Fund**

Posting Date	Transaction Type	Transaction Amount	Share Price	Number of Shares	Dollar Balance
This space shows the date on which a transaction was processed in your account.	This space shows the type(s) of transactions that occurred on the posting date(s).	This space shows the amount that was deposited to or withdrawn from the G Fund.	This space shows the value of each share of the G Fund on the posting date.	This space shows the number of shares purchased (or sold) for each transaction listed under Transaction Type.	This space shows your account balance for the G Fund at the beginning and the end of the quarter.

Note: If you have money in other TSP funds, the same categories of information shown here for the G Fund will be displayed for those funds as well.

# Types of Loans



*and*



**General Purpose**  
No documentation required

**Residential**  
For purchase or construction  
of a primary residence

# Terms

- ◆ Minimum Term: 1 year
- ◆ Must be in pay status
- ◆ Maximum Term
  - General purpose = 5 years
  - Residential loan = 15 years
- ◆ General purpose and residential loans must be repaid by the (5th or 15th) anniversary from disbursement

# TSP Taxable Distributions

- ◆ Leaving federal service
  - Separated participant will still receive a notice with 90 days to pay the outstanding loan balance
  - A full or partial payment(s) may be submitted by check during the 90 day period
  - Partial payments will reduce the taxable distribution that will be declared on the remaining outstanding loan balance
  - Taxable distributions are effective after 90 days from receipt of separation information or generation of the notice
  - Participants not repaying the loan balance can request an acceleration of the taxable distribution date by signing the intent block on the notice and fax or mail to the TSP
  
- ◆ Death in service
  - Effective as of date of death or last loan payment

# Withdrawal Rules for Married Participants

- ◆ Married FERS participants must print their withdrawal form from the TSP website, obtain notarized spouse's signature, and return the withdrawal request to the TSP for processing and completion
- ◆ Notification will be sent to the spouse of married CSRS participants two business days before withdrawal disbursement
- ◆ Unmarried participants requesting either an in-service or post-service withdrawal can complete and, in some cases, submit forms on the website

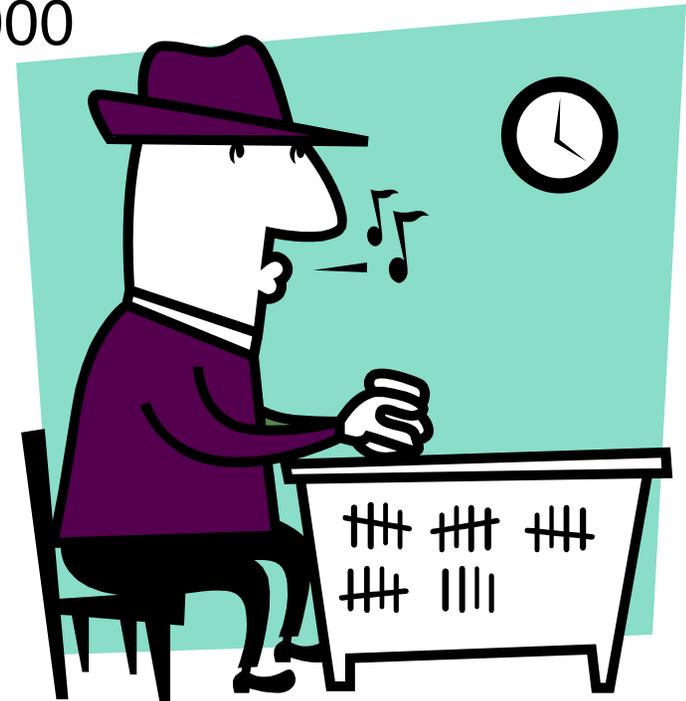
# In-Service Withdrawals

- ◆ Financial Hardship withdrawals
- ◆ Age-Based withdrawal (59½ or older)



# Post-Service Withdrawals

- ◆ Automatic cashout
- ◆ Leaving money in the TSP
- ◆ Combining Accounts
- ◆ Partial Withdrawal of at least \$1,000
- ◆ Full Withdrawal Options
  - Single payment
  - Monthly payments
  - TSP life annuity
- ◆ Mixed Withdrawal Options



As of November 1, 2010



# IRS Early Withdrawal Penalty

- ◆ If you separate/retire during or after the year in which you reach age 55, you are not subject to the early withdrawal penalty
- ◆ TSP withdrawals received at age 59½ or later are not subject to the early withdrawal penalty
- ◆ Exceptions to the early withdrawal penalty
  - Total and permanent disability
  - Purchase of a TSP life annuity
  - Request TSP “compute my payments” based on life expectancy
  - Death benefit payouts
- ◆ IRS Publication 575 at [www.irs.gov](http://www.irs.gov)

# Spouses' Rights

Classification	Requirement	Exceptions
FERS	Notarized spouse signature required. Spouse is entitled to a joint life annuity with 50% survivor benefits, level payments, and no cash refund feature, unless he/she waives this right	Whereabouts unknown or exceptional circumstances TSP-16 required
CSRS	Spouse is entitled to notification by the TSP of the participant's withdrawal election	Whereabouts unknown TSP-16 required

If account balance is less than \$3,500 spouse's signature/notice is not required  
Waiver of spouse's signature/notification valid for 90 days from approval

# Death Benefits

- ◆ To Whom
  - Based on Form TSP-3, Designation of Beneficiary
    - Participant responsible for mailing or faxing form directly to TSP
    - Do not submit forms to agency
  - If there is no TSP-3 on file at the TSP, then statutory order of precedence:
    - Spouse, natural and adopted children, parents, estate, next of kin
- ◆ How paid
  - Death reported on Form TSP-17, Information Relating to Deceased Participant
  - Spouse beneficiaries can maintain a surviving spouse TSP account or request a single payment
    - All or a portion of death benefit may be transferred to a Traditional or Roth IRA, eligible employer plan, his/her TSP account (no taxes withheld)
    - Any amount not transferred subject to mandatory 20% Federal tax withholding
  - Non-spouse beneficiaries will receive a single payment
    - All or a portion may be transferred to an inherited IRA
    - Amount not transferred to an Inherited IRA subject to 10% Federal tax withholding

# Inherited IRA

- ◆ Non-spouse beneficiaries must select this option at the time the entitlement is disbursed
  - Beneficiaries select a financial institution that provides Inherited IRAs
  - Inherited IRAs are complicated and a tax advisor or IRA provider should be contacted to discuss this benefit
- ◆ The benefits of an Inherited IRA
  - Allows beneficiaries, other than spouse, to take the IRC minimum required distribution amount based on their age
    - If a 24-year-old beneficiary's entitled amount is \$100,000, the IRC minimum required distribution must start by December 31 the year following the TSP participant's death
    - The first year IRC minimum required distribution would be \$1,720 based on age 25
  - The remaining balance continues to grow tax deferred
  - Each year the IRC minimum required distribution increases slightly providing a lifetime benefit