



THRIFT SAVINGS PLAN

TSP @ A Glance Briefing

As of May 1, 2012

Agenda

- Introduction
- Contribution rules
- TSP benefits
- Portability
- Participant resources
- Investment options

Agenda

- Loan program
- In-service withdrawals
- Post-service withdrawals
- Death benefits

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

Contribution Rules - FERS

- Employee Contributions
 - All new and rehired employees auto-enrolled at 3% (opt out option)
 - Elections to start, change, and stop contributions can be made at any time
 - Any whole dollar amount or percentage up to IRS elective deferral limit (\$17,000 for 2012)
 - Always vested
- Agency Contributions (immediate)
 - 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 \$654.00 to contribute to the TSP
- ◆ Both will contribute \$17,000 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>\$996.64</u>	<u>\$199.32</u>
<i>Total PC #17</i>	\$16,942.88	\$3,388.44
PC#18	<u>\$ 57.12</u>	<u>\$ 57.12</u>
<i>Total PC #18</i>	\$17,000.00	\$3,445.56

SUSAN - \$4,983.22 Basic Pay		
	<u>\$654 EC</u>	<u>4% Matching</u>
PC #1	\$ 654.00	\$199.32
PC #2	\$ 654.00	\$199.32
PC #3	\$ 654.00	\$199.32
PC #4	\$ 654.00	\$199.32
.....		
PC #16	\$ 654.00	\$199.32
PC #17	<u>\$ 654.00</u>	<u>\$199.32</u>
<i>Total PC #17</i>	\$11,118.00	\$3,388.44
PC #18	\$ 654.00	\$199.32
PC #19	\$ 654.00	\$199.32
.....		
PC #25	\$654.00	\$199.32
PC #26	<u>\$650.00</u>	<u>\$199.32</u>
<i>Total PC #26</i>	\$17,000.00	\$5,182.32

TSP Contribution Rules - CSRS

- Employee Contributions
 - All rehired CSRS employees auto-enrolled at 3% (opt out option)
 - Elections to start, change, and stop contributions can be made at any time
 - Any dollar amount or percentage up to IRS elective deferral limit (\$17,000 for 2012)
 - Always vested
- No Agency Contributions

Catch-Up Contributions

- Participants age 50 or older may make additional tax-deferred contributions to the TSP
 - Must be age 50 or older, or will turn age 50 in the calendar year the contribution is deducted from pay
 - Cannot be in the 6-month termination period because of a TSP financial hardship in-service withdrawal
 - Must self-certify election to make regular contributions up to the maximum amount allowed by the IRC and TSP plan rules
- Maximum contribution for 2012 is \$5,500
- Catch-up contributions are in addition to the regular TSP employee contributions
($\$17,000 + \$5,500 = \$22,500$ for 2012)

TSP Tax-Deferral Basics

- All participants currently 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 only from the reduced salary
- Participants defer taxes on the TSP account until a withdrawal of the account is made
- Deferral of State or County taxes is determined by each individual jurisdiction

Tax-Deferral Example

Bi-Weekly Basic Pay	\$1,470.00
TSP Election:	X 10%
TSP Deduction:	<u>\$147.00</u>
Basis for Federal Tax Withholding	\$1,470.00
	- \$147.00
Taxable Income:	<u>\$1,323.00</u>
Annual Income Earned:	\$38,220.00
Annual TSP Contributions:	<u>- \$3,822.00</u>
Taxable Income:	\$34,398.00

Retirement Savings Contribution Credit

Adjusted Gross Income (AGI) limits for 2012			
Married Filing Joint	Head of Household	All Other Filers	Credit Max Per Person
\$ 1 - \$34,500	\$1 - \$25,875	\$ 1 - \$17,250	50% of contributions (\$1,000)
\$34,501 - \$37,500	\$25,846 - \$28,125	\$17,251 - \$18,750	20% of contributions (\$400)
\$37,501 - \$57,500	\$28,126 - \$43,125	\$18,751 - \$28,750	10% of contributions (\$200)
Over \$57,500	Over \$43,125	Over \$28,750	No Credit

As of May 1, 2012

Retirement Savings Contribution Credit Example

Tax Status	Married Filing Joint
Annual Income Earned	\$38,220.00
10% tax-deferred to TSP	<u>- \$3,822.00</u>
Taxable Income	\$34,398.00

- 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

Retirement Savings Contribution Credit for Last Year (2011)

Adjusted Gross Income (AGI) limits for 2011			
Married Filing Joint	Head of Household	All Other Filers	Credit Max Per Person
\$ 1 - \$34,000	\$1 - \$25,500	\$ 1 - \$17,000	50% of contributions (\$1,000)
\$34,001 - \$36,500	\$25,501 - \$27,375	\$17,001 - \$18,250	20% of contributions (\$400)
\$36,501 - \$56,500	\$27,376 - \$42,375	\$18,251 - \$28,250	10% of contributions (\$200)
Over \$56,500	Over \$42,375	Over \$28,250	No Credit

Roth TSP - Implementation

- Expected implementation 2012
 - Or as soon as possible thereafter by the agency or service
- Allows participant to elect to designate all or a portion of contributions elected through payroll to be contributed as post-tax Roth or pre-tax deferred
 - Roth contribution may accrue tax-free earnings
 - Tax-deferred contributions continue to accrue tax-deferred earnings
- Roth designation made at agency payroll level prior to contribution deposited into the TSP
- No in-plan conversions of existing balance to Roth

	Roth IRA	Roth employer plans
Income limits	Not available to taxpayers with income above certain limits: MFJ - \$173,000 to \$183,000 MFS - \$0 to \$10,000 All others - \$110,000 to \$125,000	Available to all participants regardless of income
Contribution limits	\$5,000 (\$6,000 if at least 50 years of age)*	\$17,000 (plus an additional \$5,500 if at least 50 years of age)*
Minimum distributions	Not subject to RMDs until the IRA owner dies	Roth contributions are treated the same as other elective deferrals with respect to RMDs
Rollover rules	May NOT be rolled into a Roth 401(k); a Roth IRA can only be rolled into another Roth IRA	Can be rolled into another Roth 401(k) OR a Roth IRA

Roth TSP - Limits

- The TSP limit is based on the I.R.C elective deferral, and for age eligible, catch-up limit set by the IRS each year
- The Roth limit is equal to the elective deferral and catch-up limit
 - Elective deferral limit of \$17,000 and catch-up of \$5,500 = Roth limit of \$17,000 and Roth catch-up of \$5,500 for 2012
 - May elect to contribute any percentage or dollar amount to
 - Traditional
 - TSP Roth
 - Or combination of both (total contributions can not exceed elective deferral limit)
- Contribution election are made through agency payroll

Roth TSP - Distributions

- Qualified (tax-free) distribution
 - Age 59 ½; disabled; or deceased AND,
 - First TSP Roth contribution must meet 5-year rule
 - Prior participation in a Roth 401(k) transferred into TSP counts toward 5-year rule
 - Once 5-year rule is met, participant retains it for the life of their TSP account
- Nonqualified distributions
 - Earnings subject to tax
 - 10% early withdrawal penalty rules are applied to earnings in the same manner as the tax-deferred portion of a participant's TSP account
 - Note: portion of the balance that is tax-deferred is not subject to the 10 percent early withdrawal penalty tax if the participant is age 55 or older in the year he/she separates from Federal service.

Effects of Tax-Deferred Contributions

- Elective deferrals reduce current year AGI, so they may also
 - Create or enhance eligibility for the Saver's Credit
 - Increase certain itemized deductions
 - Allow high-income taxpayers to make Roth IRA contributions in addition to TSP
 - Reduce the likelihood of Alternative Minimum Tax (AMT) exposure
- Distributions of tax-deferred contributions will be taxed as ordinary income when received, so they may
 - Be taxed at lower rates, if income is lower
 - Be taxed at higher rates, if tax rates increase
- Tax-deferred balances are also subject to
 - Required minimum distribution rules
 - Income taxes when paid to beneficiaries

Effects of Roth Contributions

- Roth contributions do not reduce current year AGI
 - May exclude some participants from Saver's Tax Credit
- Electing Roth may cause high earners to lose other tax-saving opportunities
 - Certain itemized deductions are reduced by a percentage of AGI - higher AGI results in smaller deductions
 - Eligibility for Roth IRA contributions is phased out at higher income levels
 - Higher AGI may also trigger AMT
- Qualified distributions are tax-free
- Provide a “hedge” against higher future tax rates
- May be transferrable to a Roth IRA to avoid Required Minimum Distributions

Tax-Advantaged Savings

Do you need the benefit now . . . ?

Mike makes tax-deferred contributions

gross income	\$40,000
minus TSP contributions	<u>-\$2,000</u>
adjusted income	\$38,000
minus estimated federal income tax	<u>-\$ 3,846*</u>
spendable income	\$34,154

Ike makes Roth contributions

gross income	\$40,000
minus estimated Federal income tax	<u>-\$4,154*</u>
after-tax income	\$35,846
minus savings	<u>-\$2,000</u>
spendable income	\$33,846

By contributing before-tax money to the TSP, Mike reduces his taxes and has about \$308 more to cover everyday expenses

*IRS Publication 2011 Inst 1040; filing as single

. . . or later?

When Mike and Ike withdraw their balance:

Mike's tax-deferred contributions and earnings will be subject to income tax

Ike's Roth contributions and earnings may be withdrawn tax-free

future value of \$2,000*	\$8,077	future value of \$2,000*	\$8,077
minus estimated Federal income tax**	<u>-\$817</u>	minus estimated Federal income tax	<u>-\$0</u>
spendable income	\$7,260	spendable income	\$8,077

In exchange for paying taxes up front and adhering to the Roth qualified distribution rules, Ike has more money to spend in retirement

*assumes 20 years of compound growth and 7% annual rate of return

**assumes same effective tax rate as previous slide

As of May 1, 2012

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
 - After implementation of Roth TSP, the TSP will accept transfers (direct rollovers) of Roth balances from eligible employer plans; will not accept 60-day (non-direct) rollovers of Roth balances
 - 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



Free Yourself from high fees

Transfer your retirement
funds to the TSP.

[Learn More](#)



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A Message from the TSP's Executive Director

TSP Executive Director Gregory Long introduces the new TSP.gov. [Read more](#)

- BULLETIN BOARD**
- January processing schedule
 - 2011 contribution limits
 - L 2050 Fund to debut in January 2011
 - Explore TSP.gov on your own or watch our welcome video.

MY ACCOUNT

TSP Account Number

OR

User ID

[Forgot your account number or user ID?](#)

[Log In](#)

Plan Participation

How to set up and manage your TSP account

- TSP and Your Retirement
- Enrolling in the TSP
- Investing Contributions

[Learn more](#)

Investment Funds

Information on TSP fund options and performance

- Fund Comparison
- Lifecycle Funds
- Share Prices
- Monthly Returns

[Learn more](#)

Planning & Tools

Retirement planning and tools for all career stages

- Before You Invest
- Maximize Your TSP Savings
- Calculators

[Learn more](#)

Life Events

Help with life events affecting your TSP account

- Entering Gov't Service
- Called to Active Duty
- Family Changes

[Learn more](#)

- QUICK LINKS**
- Website Orientation
 - Forms & Publications
 - Current Limit & Rates
 - Fund Performance
 - E-mail Updates

- ACCOUNT SHORTCUTS**
- Account Balance
 - Recent Transactions
 - Contribution Allocation
 - Interfund Transfer
 - Statements



TSP Website www.tsp.gov

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

VISIT
WWW.TSP.GOV

MY
ACCOUNT

PLAN
PARTICIPATION

INVESTMENT
FUNDS

PLANNING
& TOOLS

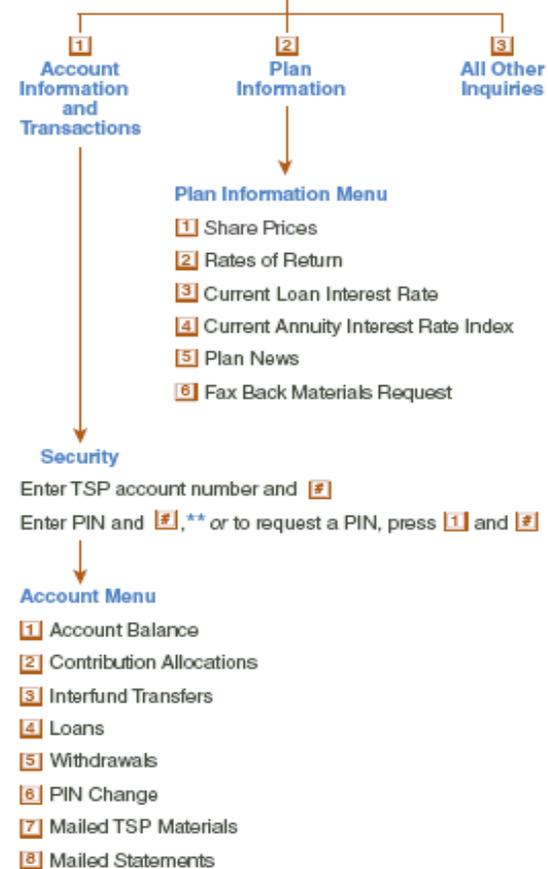
LIFE
EVENTS

OTHER
RESOURCES

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 can be expressed either as whole dollar or whole percentage amounts for traditional and Roth contributions
- Form TSP-1 used by employees to elect to contribute (electronic versions can also be used – MyPay, Employee Self-Service, LiteBlue, 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 all 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; redistributes account balance(s) and 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 redistribute money in both a participant's traditional and Roth accounts 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
As of May 1, 2012

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

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



THRIFT SAVINGS PLAN FACT SHEET

TSP Funds Annual and Monthly Returns

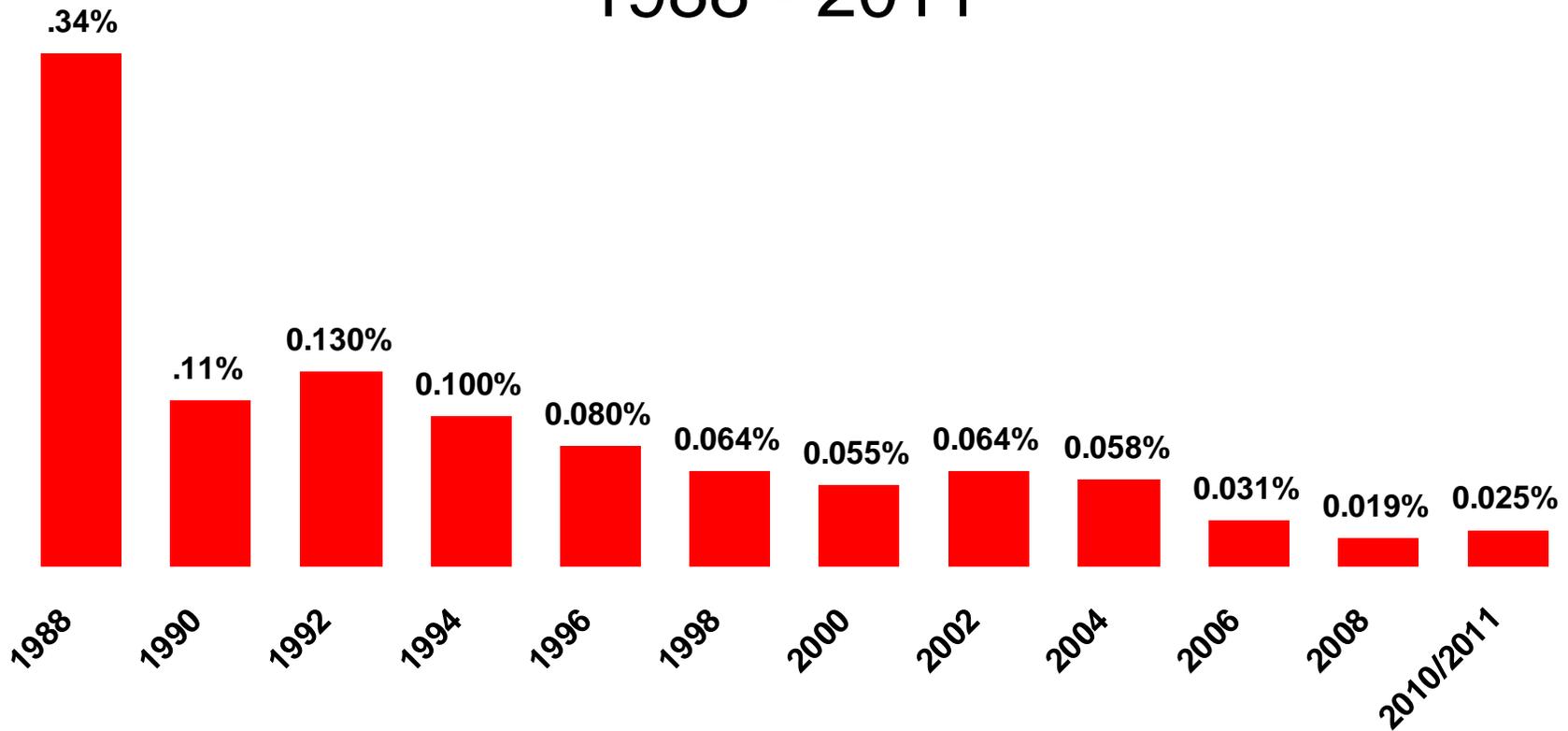
May 1, 2012

	L 2050	L 2040	L 2030	L 2020	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
2007	N/A	7.36%	7.14%	6.87%	5.56%	4.87%	7.09%	5.54%	5.49%	11.43%
2008	N/A	(31.53%)	(27.50%)	(22.77%)	(5.09%)	3.75%	5.45%	(36.99%)	(38.32%)	(42.43%)
2009	N/A	25.19%	22.48%	19.14%	8.57%	2.97%	5.99%	26.68%	34.85%	30.04%
2010	N/A	13.89%	12.48%	10.59%	5.74%	2.81%	6.71%	15.06%	29.06%	7.94%
2011	N/A	(0.96%)	(0.31%)	0.41%	2.23%	2.45%	7.89%	2.11%	(3.38%)	(11.81%)
2011										
May	(1.39%)	(1.15%)	(0.97%)	(0.74%)	(0.05%)	0.25%	1.31%	(1.13%)	(1.27%)	(2.90%)
June	(1.48)	(1.30)	(1.10)	(0.84)	(0.18)	0.21	(0.30)	(1.67)	(2.35)	(1.16)
July	(1.75)	(1.49)	(1.25)	(0.94)	(0.14)	0.22	1.59	(2.04)	(3.14)	(1.60)
Aug	(6.16)	(5.37)	(4.63)	(3.69)	(1.10)	0.19	1.45	(5.44)	(8.12)	(9.03)
Sept	(7.80)	(6.85)	(5.92)	(4.73)	(1.51)	0.16	0.73	(7.03)	(10.73)	(10.55)
Oct	9.92	8.83	7.68	6.18	2.31	0.14	0.11	10.93	14.09	9.48
Nov	(0.78)	(0.62)	(0.49)	(0.34)	0.02	0.14	0.01	(0.21)	(0.51)	(2.46)
Dec	(0.01)	0.07	0.09	0.11	0.20	0.15	1.01	1.04	(0.04)	(2.03)
2012										
Jan	4.87	4.34	3.77	3.03	1.18	0.13	0.88	4.50	7.59	5.36
Feb	3.99	3.54	3.10	2.53	0.98	0.12	0.05	4.34	3.99	5.14
Mar	1.86	1.68	1.49	1.23	0.54	0.14	(0.61)	3.30	2.30	0.13
Apr	(0.78)	(0.63)	(0.52)	(0.38)	0.01	0.15	1.12	(0.62)	(0.71)	(1.87)
Last 12 Months	(0.73%)	0.09%	0.54%	0.95%	2.22%	2.02%	7.58%	4.83%	(1.24%)	(12.49%)

Percentages in () are negative.

As of May 1, 2012

Thrift Savings Fund Net Expense Ratio 1988 - 2011



- 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)
- In 2011 the average expense ratio for the TSP was 0.025%, or \$0.25 per \$1,000 (Net administrative expenses are investment management fees after forfeitures)
- Administrative expenses after June 2004 are reduced by loan fees (\$50 per loan)

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
 77K Street, NE.....Washington, DC 20002

THRIFT SAVINGS PLAN FACT SHEET

Monthly G Fund Interest Rates

May 1, 2012

The following are monthly G Fund interest rates from January 2002 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>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>	<u>2011</u>	<u>2012</u>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
JANUARY	5.250	4.000	4.250	4.250	4.500	4.750	4.000	2.125	3.500	2.875	1.500
FEBRUARY	5.250	4.125	4.125	4.125	4.625	4.875	3.500	2.750	3.125	2.875	1.500
MARCH	5.125	3.875	4.000	4.375	4.625	4.625	3.375	2.875	3.125	3.000	1.625
APRIL	5.625	4.000	3.875	4.500	5.000	4.750	3.375	2.500	3.375	3.000	1.875
MAY	5.250	4.000	4.500	4.250	5.125	4.625	3.750	2.875	3.250	2.875	1.625
JUNE	5.250	3.500	4.625	4.125	5.125	5.000	4.000	3.250	2.875	2.500	
JULY	5.000	3.500	4.625	4.000	5.250	5.000	3.875	3.250	2.625	2.625	
AUGUST	4.750	3.500	4.500	4.375	5.000	4.750	3.875	3.250	2.500	2.250	
SEPTEMBER	4.375	3.500	4.125	4.125	4.750	4.500	3.750	3.125	2.125	1.875	
OCTOBER	3.875	4.000	4.125	4.375	4.750	4.500	3.625	3.000	2.125	1.625	
NOVEMBER	4.125	4.375	4.125	4.625	4.625	4.500	3.750	3.125	2.125	1.750	
DECEMBER	4.500	4.375	4.375	4.625	4.500	4.000	2.750	2.875	2.875	1.750	

As of May 1, 2012

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

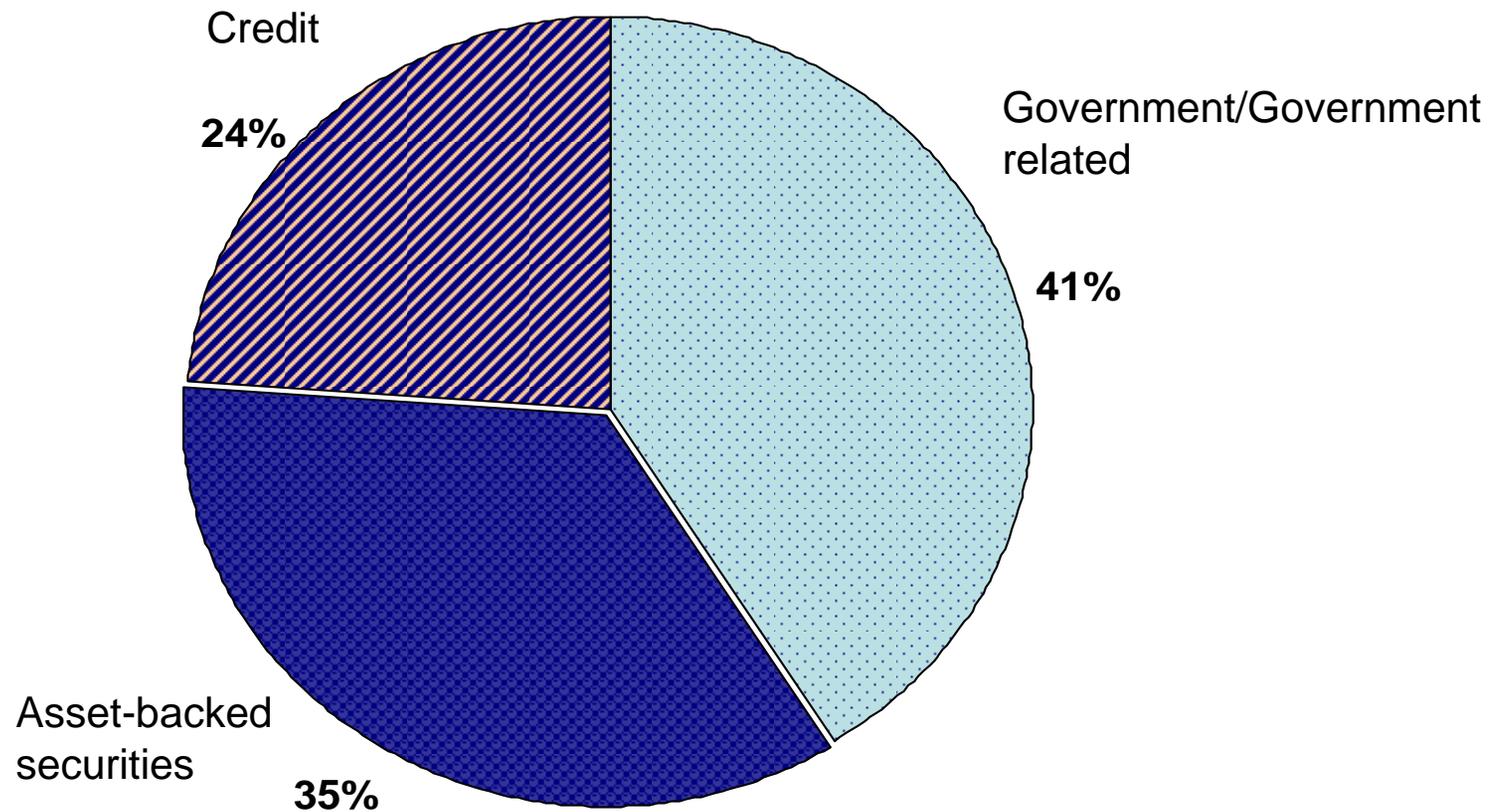
F Fund

- 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>

Barclays Capital U.S. Aggregate Index

Bond Market Sectors

December 31, 2010



As of May 1, 2012

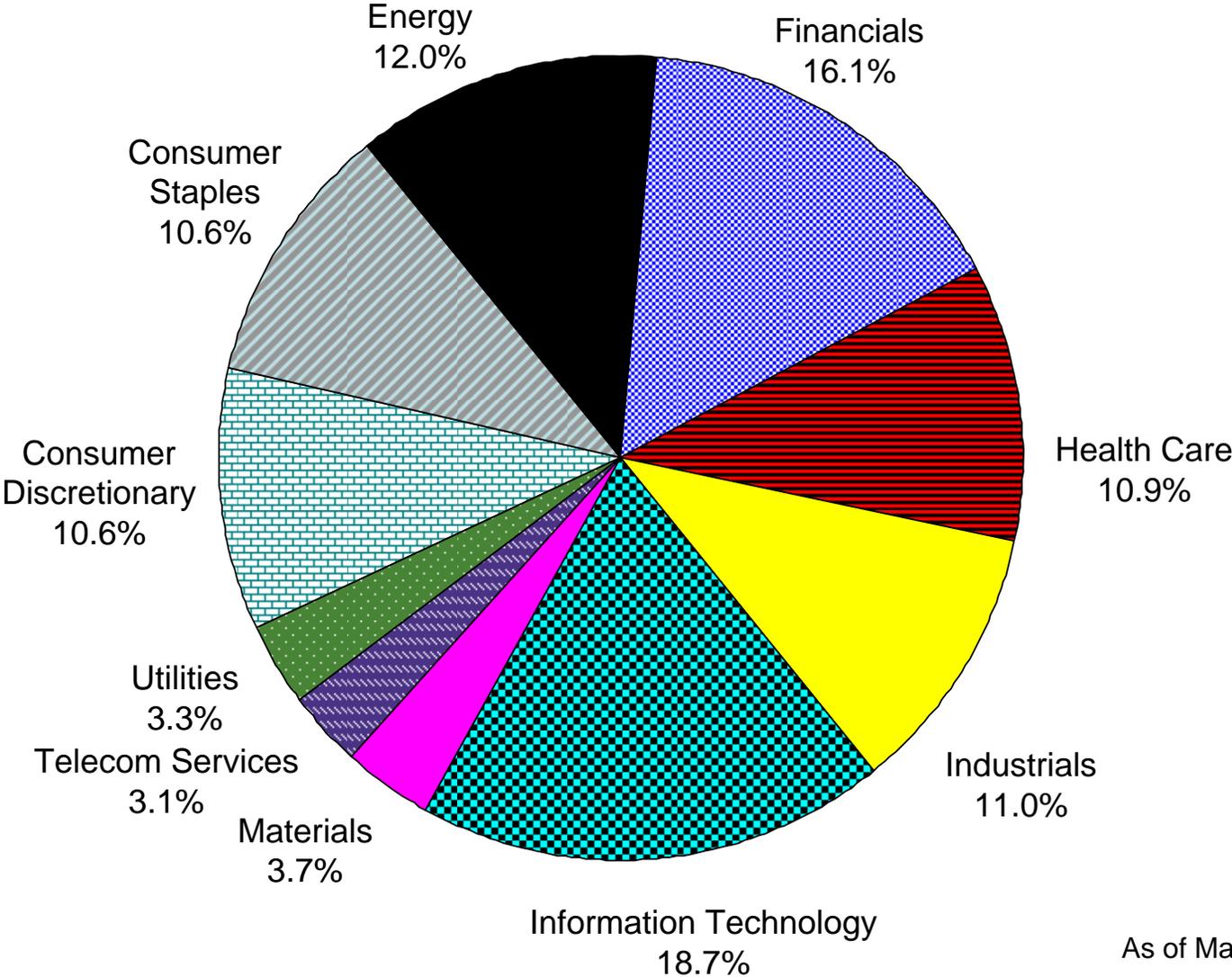
C Fund

- 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

S&P 500 Index - Major Industry Groups December 31, 2010



As of May 1, 2012

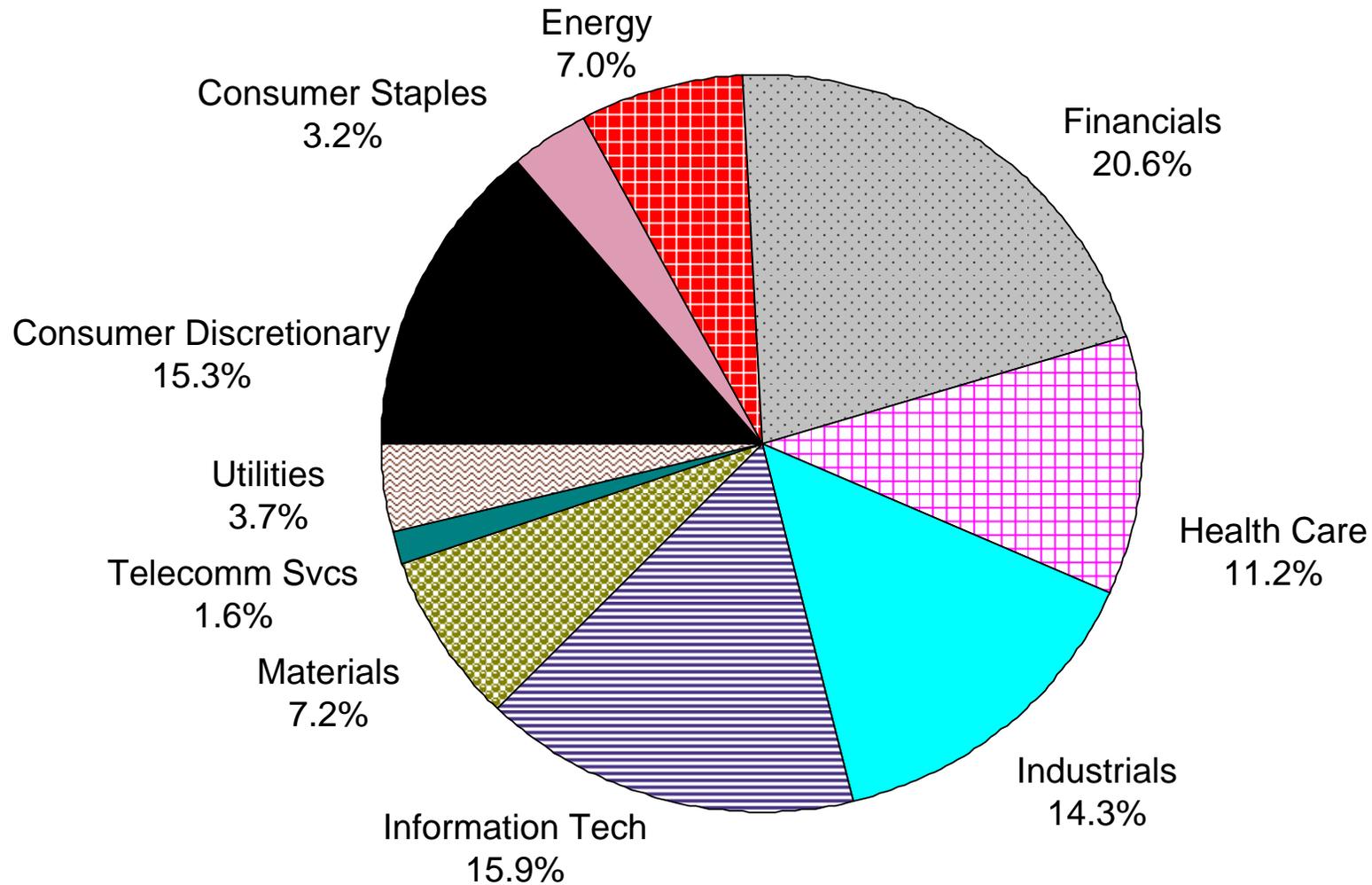
S Fund

- Tracks the Dow Jones U.S. Completion Total Stock Market (TSM) Index
- The index 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 index 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

DJ US Completion TSM Index Major Industry Groups December 31, 2010



As of May 1, 2012

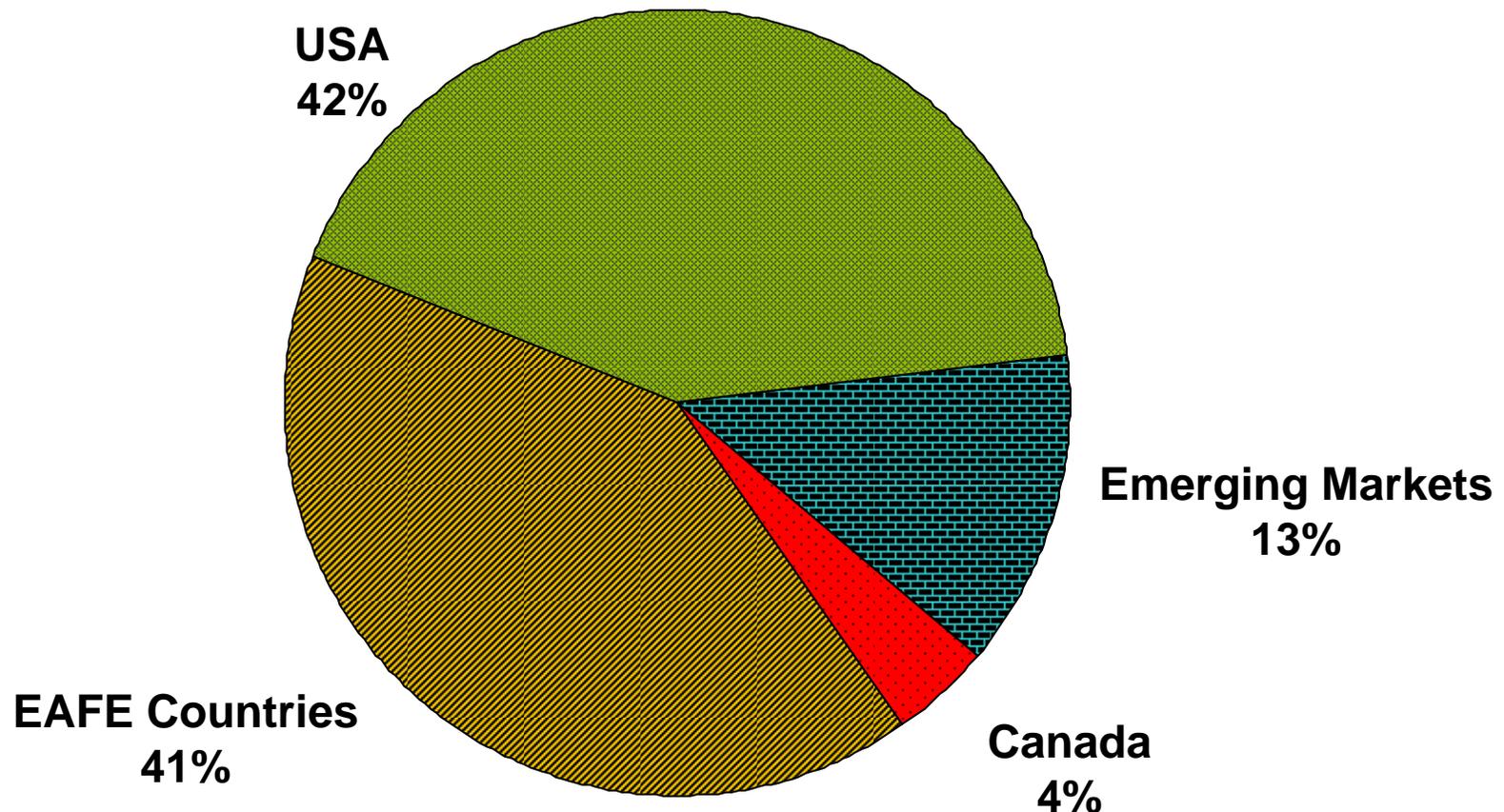
I FUND

- Replicates the MSCI Europe, Australasia, and Far East (EAFE) Index
- EAFE covers the equity markets of 22 countries included in the index
- EAFE contains approximately 969 stocks that best represent the 22 developed 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

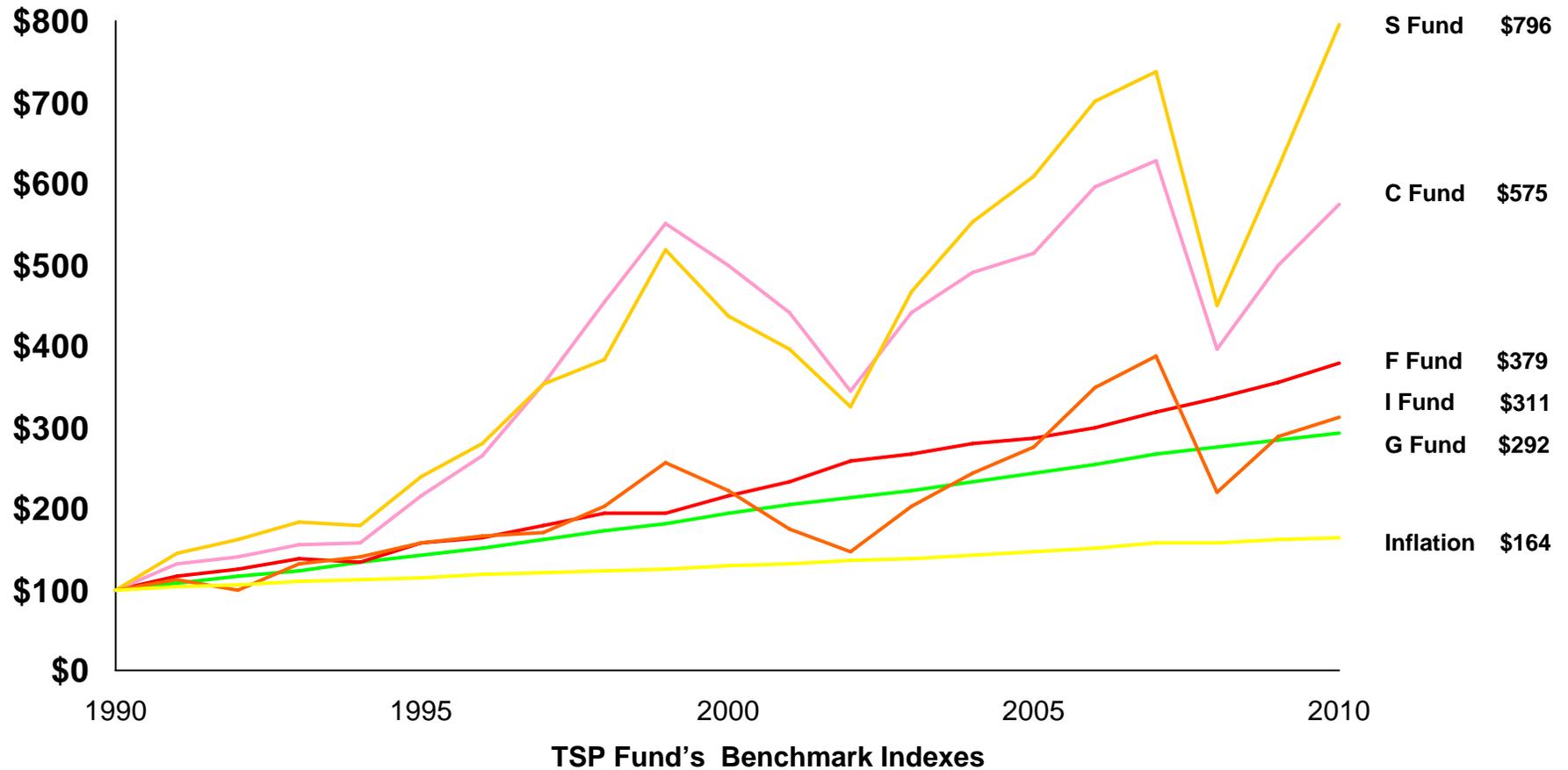
World Stock Markets Allocation of Stock Market Value* December 31, 2009



**Allocation of MSCI ACWI Index. Source is FactSet Research Systems*

As of May 1, 2012

Growth of \$100 1990 – 2010



F Fund- Barclays Capital U.S. Aggregate Bond Index

S Fund- Dow Jones U.S. Completion Total Stock Market Index

C Fund- Standard and Poor's 500 Stock Index

I Fund- Morgan Stanley's Europe, Australasia, and Far East (EAFE) Stock Index

As of May 1, 2012

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 2050, 2040, 2030, 2020, or Today

TSP L Funds

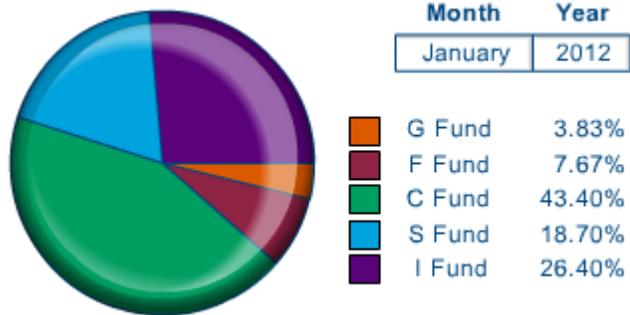
- It's simple
 - Make one decision: When will you need your money?
- It's maintenance free
 - The L Funds are professionally designed and adjust automatically
- It's low cost
 - No additional costs
- It's flexible
 - Transfer to individual TSP funds at any time

L Funds

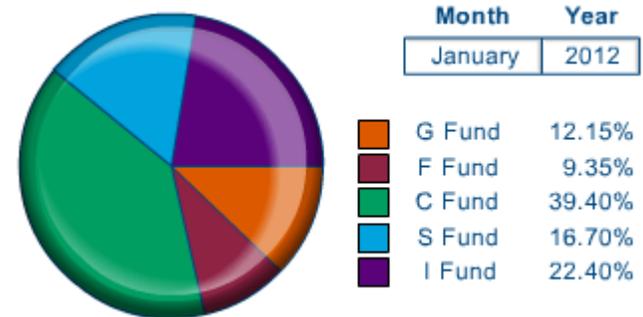
- The five Lifecycle Funds
 - L 2050 Fund
 - Time horizon 2045 and later
 - L 2040 Fund
 - Time horizon 2035 through 2044
 - L 2030 Fund
 - Time horizon 2025 through 2034
 - L 2020 Fund
 - Time horizon 2015 through 2024
 - L Income Fund
 - For those already withdrawing their account or within a few years
- In December 2010, the L 2010 Fund was incorporated into the L Income Fund
- The L 2050 Fund was established In January 2011

L Funds Investment Allocation

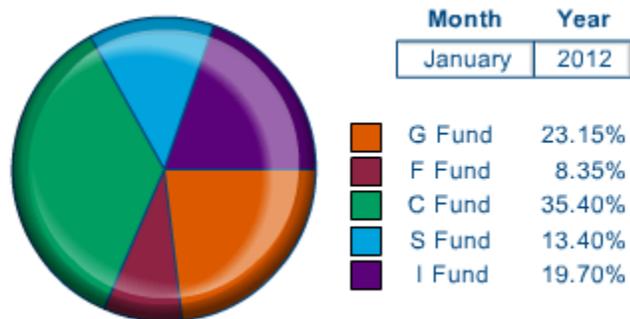
L 2050



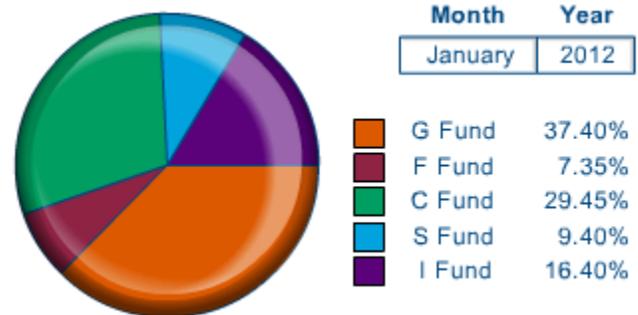
L 2040



L 2030

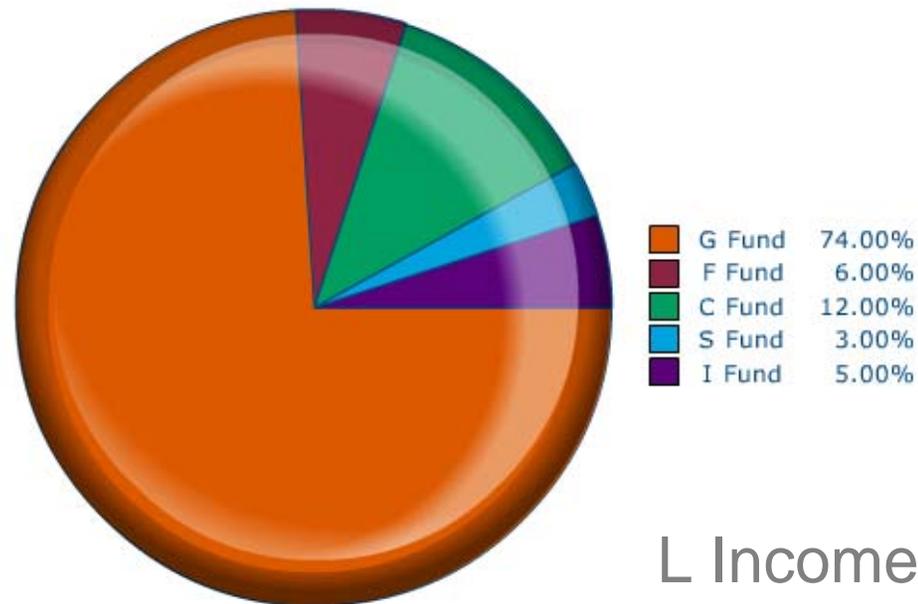


L 2020



As of May 1, 2012

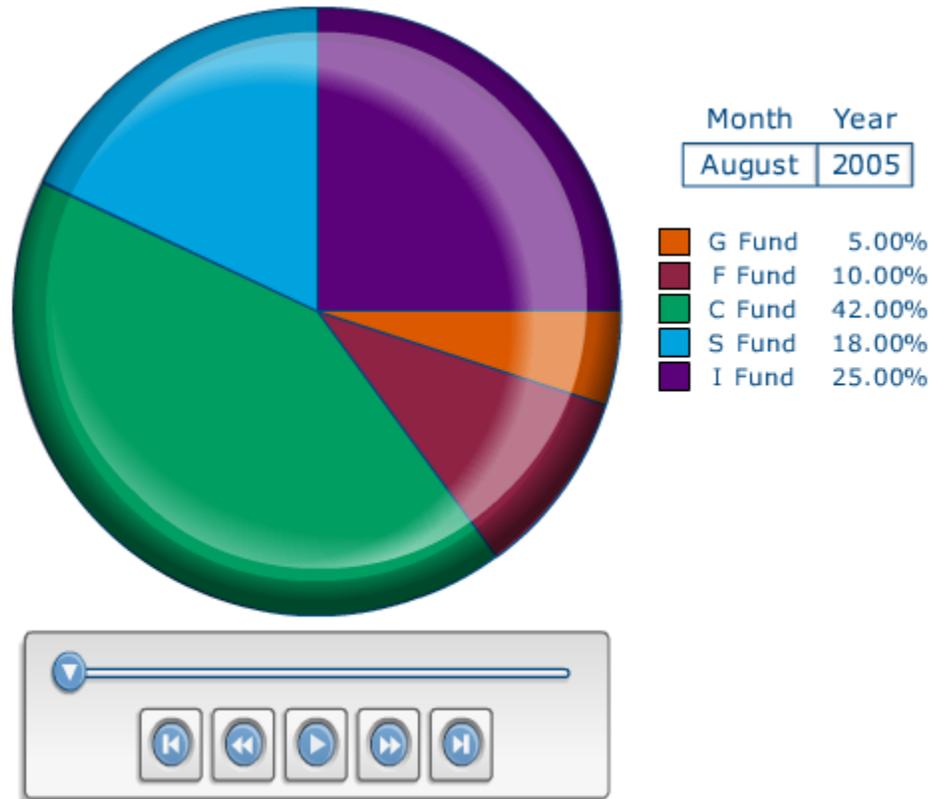
L Income Fund Investment Allocation



- 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

As of May 1, 2012

L 2040 Investment Allocation Cycle



As of May 1, 2012

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



Regular Participant, Version 1

Your Quarterly Statement
for the period
01/01/2011 – 03/31/2011

[Mail Barcoding]

Name
Address Line 1
Address Line 2
City, State Zip Code

Account Number:
1234 5678 91011

Date of Birth: mm/dd/yyyy
Retirement Coverage:
Employment Status: Active
Beneficiary Named: Yes (mm/dd/yyyy)
Service Required for Vesting: 3 years
from mm/dd/yyyy

Here's how the value of your TSP account has changed.

Value on January 1, 2011	\$xx,xxx,xxx.xx
Contributions and Additions	\$xx,xxx,xxx.xx
Withdrawals and Deductions	\$xx,xxx,xxx.xx
Investment Gain (or Loss)	\$xx,xxx,xxx.xx
Value on March 31, 2011	\$xx,xxx,xxx.xx

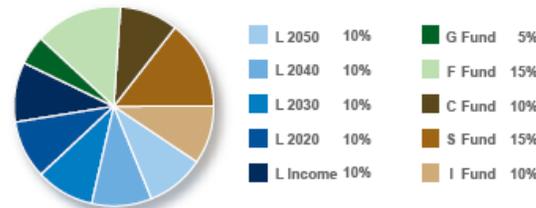
Your vested account balance is \$xx,xxx,xxx.xx
You will be fully vested on mm/dd/yyyy*

* Only Agency Automatic (1%) Contributions are subject to vesting. You are always vested in (entitled to keep) your own contributions and your agency's matching ... contributions.

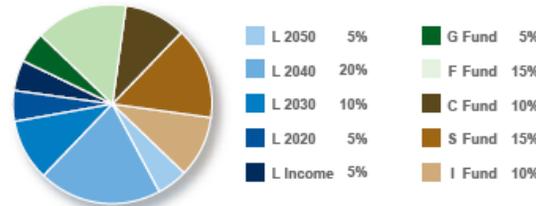
A Message for You

Our records show that you aren't currently contributing your own money to your TSP account. Because your agency matches up to 5% of your contributions, you can double your money on the first 3% of pay you contribute. If you contribute an additional 2%, your agency will add 50¢ for each dollar you put in. When you save for your retirement in this way, you are basically giving yourself a 4% pay increase.

Your account balance distribution



Your investment allocation for future contributions



Your Personal Rate of Return

Last
12 Months
12.20%

Questions? www.tsp.gov

ThriftLine: 1-TSP-YOU-FRST
1-877-968-3778

Outside U.S. and Canada: 404-233-4400
TDD: 1-TSP-THRIFT5
1-877-847-4385

To correct personal information, contact your agency.

As of May 1, 2012

Jane G. Doe
 Account Number: xxxxxxxxxx

Your Ending Account Balance: \$10,000,000.02

Page 2 of x
 For the quarter: mm/dd/yyyy-mm/dd/yyyy

YOUR QUARTERLY ACCOUNT SUMMARY

TSP FUNDS	Beginning Balance	Contributions and Additions	Withdrawals and Deductions	Interfund Transfers	Gain or Loss This Quarter	Ending Balance	Beginning Shares		Ending Shares	
							Price	Number	Price	Number
Lifecycle Funds										
L 2050	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	-\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	\$x,xxx,xxx.xx	\$xx,xxx,xxx.xx	\$xx,xxx.xx	xxx,xxx,xxx.xx	\$xx,xxx.xx	xxx,xxx,xxx.xx
L 2040	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	-xx,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
L 2030	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	-xx,xxx,xxx.xx	-x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
L 2020	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	xx,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
L Income	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	xx,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
Individual Funds										
G Fund	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	-\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	\$x,xxx,xxx.xx	\$xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
F Fund	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	-xx,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
C Fund	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	-xx,xxx,xxx.xx	-x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
S Fund	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	xx,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
I Fund	xx,xxx,xxx.xx	xx,xxx,xxx.xx	-xx,xxx,xxx.xx	xx,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx	xx,xxx.xx	xxx,xxx,xxx.xx
Total	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	-\$xx,xxx,xxx.xx	\$0.00	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx*				

* Your balance includes: \$xx,xxx.xx in cumulative tax-exempt contributions; \$x,xxx.xx in catch-up contributions for this year.

YOUR QUARTERLY LOAN SUMMARY

Loan ID	Principal as of mm/dd/yyyy	Amount of New Loan	TOTAL Principal Repaid	Taxable Distribution	Non Taxable Distribution	Reversal of Loan Distribution		Principal as of mm/dd/yyyy	TOTAL Interest Paid	Interest in Arrears	Last Loan Payment
						Traditional Balance	Roth Balance				
xxxxxxx	\$xx,xxx.xx	\$xx,xxx.xx	\$xx,xxx.xx			\$xx,xxx.xx		\$xx,xxx.xx		\$xx,xxx.xx	mm/dd/yy

YOUR TRANSACTION DETAIL BY SOURCE†

Payroll Office	Posting Date	Transaction Type	Employee Traditional	Employee Tax-Exempt Traditional	Employee Roth	Agency Automatic (1%)	Matching	Total
		Beginning Balance	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	\$xxx.xx	\$xx,xxx.xx	\$xx,xxx,xxx.xx
xxxxxxx	mm/dd/yy	Contribution	xx,xxx.xx	xx,xxx.xx	xx,xxx.xx	xxx.xx	x,xxx.xx	xx,xxx.xx
		Gain or Loss This Quarter	xx,xxx,xxx.xx	xx,xxx,xxx.xx	xx,xxx.xx	xxx.xx	x,xxx.xx	xx,xxx.xx
		Ending Balance	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	\$xx,xxx,xxx.xx	\$x,xxx.xx	\$xx,xxx.xx	\$xx,xxx,xxx.xx

† Details of your transactions by fund (including interfund transfers) are available on your expanded quarterly statement in the My Account section of the TSP website (www.tsp.gov).

Jane G. Doe

Account Number: xxxxxxxxxxxx

Your Ending Account Balance: \$10,000,000.02

For the quarter: mm/dd/yyyy-mm/dd/yyyy

YOUR TRANSACTION DETAIL BY FUND

Government Securities Investment (G Fund)

Posting Date	Transaction Type	Transaction Amount			Share Price	Number of Shares	Dollar Balance
		Traditional	Roth	Total			
	Beginning Balance				\$xx.xxxx	x,xxx,xxx.xxxx	\$xx,xxx,xxx.xx
03/01/11	Contribution	\$x,xxx,xxx.xx	x,xxx,xxx.xx	\$x,xxx,xxx.xx	\$xx.xxxx	x,xxx,xxx.xxxx	\$xx,xxx,xxx.xx
	Ending Balance				\$xx.xxxx	x,xxx,xxx.xxxx	\$xx,xxx,xxx.xx

Common Stock Investment (C) Fund

Posting Date	Transaction Type	Transaction Amount			Share Price	Number of Shares	Dollar Balance
		Traditional	Roth	Total			
	Beginning Balance				\$xx.xxxx	x,xxx,xxx.xxxx	\$xx,xxx,xxx.xx
03/01/11	Contribution	\$x,xxx,xxx.xx	x,xxx,xxx.xx	\$x,xxx,xxx.xx	\$xx.xxxx	x,xxx,xxx.xxxx	\$xx,xxx,xxx.xx
	Ending Balance				\$xx.xxxx	x,xxx,xxx.xxxx	\$xx,xxx,xxx.xx

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
- Loans are disbursed proportionally from both traditional and Roth account balances

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

Note: No post-service withdrawal options can be processed until the outstanding loan is settled

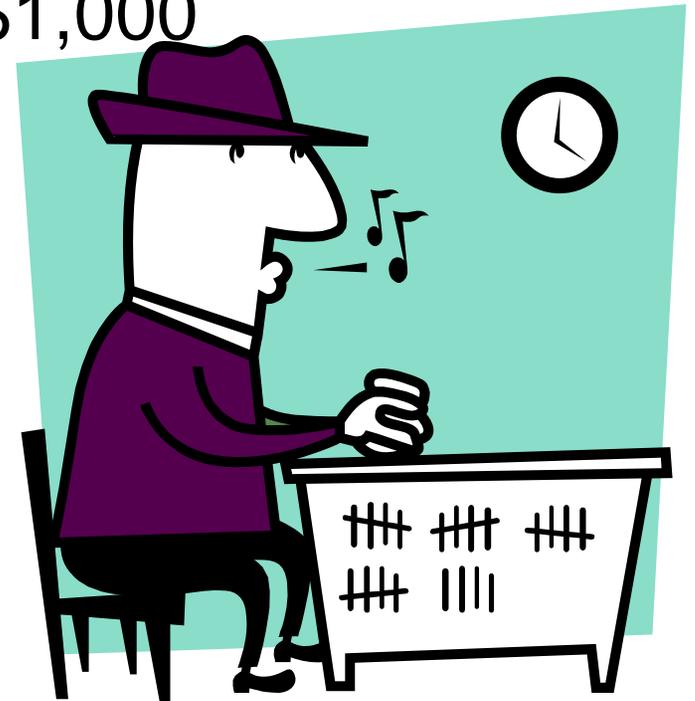
In-Service Withdrawals

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



Post-Service Withdrawals

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



As of May 1, 2012



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
- More information available from IRS
 - Publication 575, Pension and Annuity Income
 - Publication 721, Tax Guide to U.S. Civil Service Benefits

Spouse's 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/service
 - 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
 - The beneficiary will receive IRS Form 1099-R reporting the distribution

Death Benefit Payments – Spouse Beneficiaries

- Spouse beneficiaries automatically have a beneficiary participant account (BPA) established upon notification of death of TSP participant
- Balance is automatically invested in the G Fund
- Beneficiary participants have same investment and withdrawal options as separated TSP participants
 - Exception: TSP cannot accept transfers or rollovers from other equivalent employer plans or IRAs (traditional or Roth) into BPAs
 - Interfund transfers to any TSP investment funds are permitted
- Spouse may designate beneficiaries using Form TSP-3
- Death benefit payments from a BPA are single payments to the designated beneficiaries; cannot be transferred or rolled over to an IRA (to include inherited IRA) or eligible employer plan
- Required Minimum Distribution from BPA is based on the age of the TSP participant

Death Benefit Payments – Non-Spouse Beneficiaries

- Paid as a single payment
 - Taxable portion of payments to beneficiary subject to 20% tax withholding
 - Payments transferred to an inherited IRA account not subject to withholding
- 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
 - Each year the IRC minimum required distribution increases slightly providing a lifetime benefit
- Inherited IRAs are complicated and a tax advisor or IRA provider should be contacted to discuss this benefit