

THRIFT SAVINGS PLAN (TSP)



As a Federal employee or member of the uniformed services, you have the opportunity to participate in the Thrift Savings Plan (TSP). The purpose of the TSP is to give you the ability to participate in a long-term savings and investment plan.

WHAT IS THE TSP?

The TSP is a retirement benefit that is offered to employees of the U.S. Government. It is similar to “401(k)” plans available to many private sector employees.

WHY CHOOSE THE TSP?

Saving for your retirement through the TSP provides numerous advantages, including:

- ★ before-tax contributions and tax-deferred investment earnings
- ★ automatic payroll deductions
- ★ low administrative and investment expenses
- ★ a diversified choice of investment options, including professionally designed Lifecycle funds
- ★ agency contributions, if you are an employee covered by the Federal Employees’ Retirement System (FERS)
- ★ under certain circumstances, access to your money while you are still employed by the Federal Government
- ★ a portable retirement account that can move with you when you retire or leave Federal service
- ★ a beneficiary participant account established for your spouse in the event of your death
- ★ a variety of withdrawal options

TSP benefits differ depending upon your retirement system (FERS, CSRS, or uniformed services). Regardless of your retirement system, participating in the TSP can significantly increase your retirement income, but starting early is important. Contributing early gives the money in your account more time to increase in value through the compounding of earnings.

ESTABLISHING A TSP ACCOUNT:

★FERS Employees

If you are a FERS employee and you were hired after July 31, 2010, your agency has automatically enrolled you in the TSP, and 3% of your basic pay is deducted from your paycheck each pay period and deposited in your TSP account, unless you have made an election to change or stop your contributions.

If you are a FERS employee and you were hired before August 1, 2010, you already have a TSP account with accruing Agency Automatic (1%) Contributions. In addition, you can make contributions to your account from your pay and receive Agency Matching Contributions.

You can make a contribution election using your agency's electronic system, if it has one. For example, many FERS employees are able to use Employee Express. If your agency does not use an automated system, you can complete Form TSP-1, Election Form, and return it to your agency.

★CSRS Employees

If you are a CSRS employee, your account is established by your agency after you make a contribution election using your agency's automated system, if it has one. For example, many CSRS employees use Employee Express. If your agency does not use an electronic system, you can complete Form TSP-1, Election Form, and return it to your agency.

★Members of the Uniformed Services

If you are a member of the uniformed services, your account is established by your service after you make a contribution election using your service's automated system, if it has one. For example, most members of the uniformed services use myPay. If your service does not use an electronic system, you can complete Form TSP-U-1, Election Form and return it to your service.

OTHER INFORMATION ABOUT TSP

The TSP website has current TSP information and materials (e.g., forms, rates of return, share prices, and calculators). TSP participants can use their TSP account number or customized user ID and Web password to view personal account information and perform transactions.

★The TSP Website (www.tsp.gov) ★