

**THRIFT SAVINGS PLAN
A TO Z**

Presented by the
Federal Retirement Thrift Investment Board

77 K Street NE | Washington, D.C., 20002 | www.tsp.gov

The image is a slide featuring the same seal as above, but with large blue text overlaid. The text reads "THRIFT SAVINGS PLAN A TO Z" in a large, bold, sans-serif font. Below this, in a smaller font, it says "Presented by the Federal Retirement Thrift Investment Board". At the bottom of the slide, there is a dark grey textured bar containing the address "77 K Street NE | Washington, D.C., 20002" and the website "www.tsp.gov".



Agenda

- Make Wise Decisions Today: Retire With Dignity Tomorrow
- Saving for Retirement: Your TSP Contributions
- Choosing your tax treatment: Traditional vs Roth TSP
- Investing for the Long Haul: Managing your TSP Account
- Turning Savings to Income: Post-Service Withdrawals
- Planning Your Legacy: TSP Death Benefits
- TSP Tips and Resources



Make Wise Decisions Today

**RETIRE WITH DIGNITY
TOMORROW**

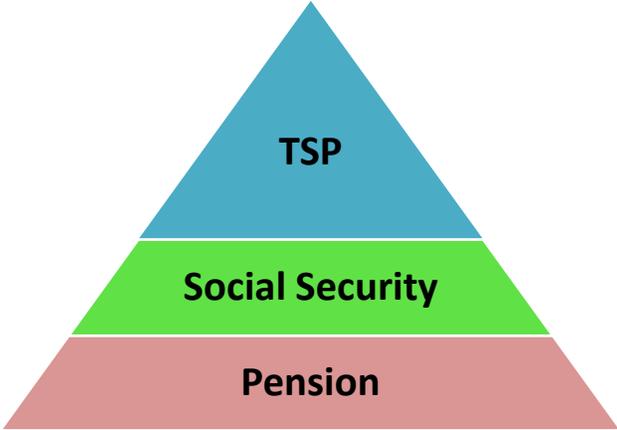


What will your retirement look like?

- In retirement, the Thrift Savings Plan supplements fixed (formula-based) income sources
 - Social Security
 - Defined benefit plans, e.g., CSRS/FERS annuity, military pension
- TSP account balance at retirement depends on:
 - How long contributions are made
 - How much has been contributed or withdrawn
 - Earnings on contributions
 - Plan expense ratio/fees



Components of Retirement Income





Retirement Plan Designs

- **Defined Benefit (Pension) Plan**
 - Provides retirement income based on a pre-determined formula
 - Employer makes investment decisions & bears the risks
- **Defined Contribution Plan**
 - Self-directed investment plan
 - Employee makes investment decisions & bears the risks



Annuity (Pension) Comparison

CSRS	FERS	Uniformed Services
Approx. 2% per year of service*	1% per year of service*	2.5% per year of service*
John Smith - GS-13 30 years of service High 3 = \$100,000	Mary Smith - GS-13 30 years of service High 3 = \$100,000	Tony Smith – E-9 30 years of service High 3 = \$77,000
Annuity Calculation $56.25\% \times \$100,000 = \$56,250$	Annuity Calculation $33\% \times \$100,000 = \$33,000$	Annuity Calculation $75\% \times \$77,000 = \$57,750$

*May vary depending on exact circumstances

Calculators

- How Much Should I Save? (Ballpark Estimate)**
- How Much Will My Savings Grow?
- How Much Can I Contribute?
- Paycheck Estimator
- Contribution Comparison Calculator
- Retirement Income Calculator
- TSP Monthly Payment Calculator
- Estimate Loan Payments

How Much Should I Save? (Ballpark Estimate)

The TSP is one source of your retirement income. Other major sources of retirement income include your FERS Basic Annuity or CSRS annuity (or your retired pay if you are a member of the uniformed services), Social Security benefits, individual retirement accounts (IRAs), and other savings. To find out how much you need to save for retirement, link to the Federal Government Employees Ballpark Estimate calculator below. The calculator was developed by the American Savings Education Council to calculate how much you need to save each year from now until retirement based on your estimates of retirement income and existing savings.

i In-depth Retirement Planning
 The Ballpark Estimate calculator is just the first step in retirement planning. For more in-depth planning, you may want to consult a financial advisor or your agency's or service's retirement or benefits counselor, visit the Office of Personnel Management website at www.opm.gov, read books and articles on retirement planning, or use more detailed software to test a variety of assumptions for estimated benefits, expenses, and rates of return.

What You Need for the Ballpark Estimate Calculator	Where to Find Information
1 Estimate of annual income from FERS Basic Annuity or CSRS annuity.	Contact your agency or service personnel office to find out how to estimate your annual income from your FERS or CSRS annuity.
2 Social Security benefit estimate, if applicable	Get your personalized benefit estimate online by requesting your Social Security Statement at www.socialsecurity.gov/myaccount .
3 Current savings balances	Access your most recent account balance in My Account , or you can call the ThrifLine . Include savings from other retirement investment accounts, as well.

[Go to Ballpark Estimate Calculator](#)



TSP Benefits

- Automatic Enrollment for new/reenrolled participants
- Contributions made by payroll deduction
 - “Pay yourself first”
- Choice of tax treatments
 - Traditional (tax-deferred) contributions
 - Roth (after tax) contributions
- Simple, diversified investment choices
 - “Do it yourself”
 - Professionally designed portfolios
- Low administrative expenses



Factors that affect TSP balance

✓ Helpful

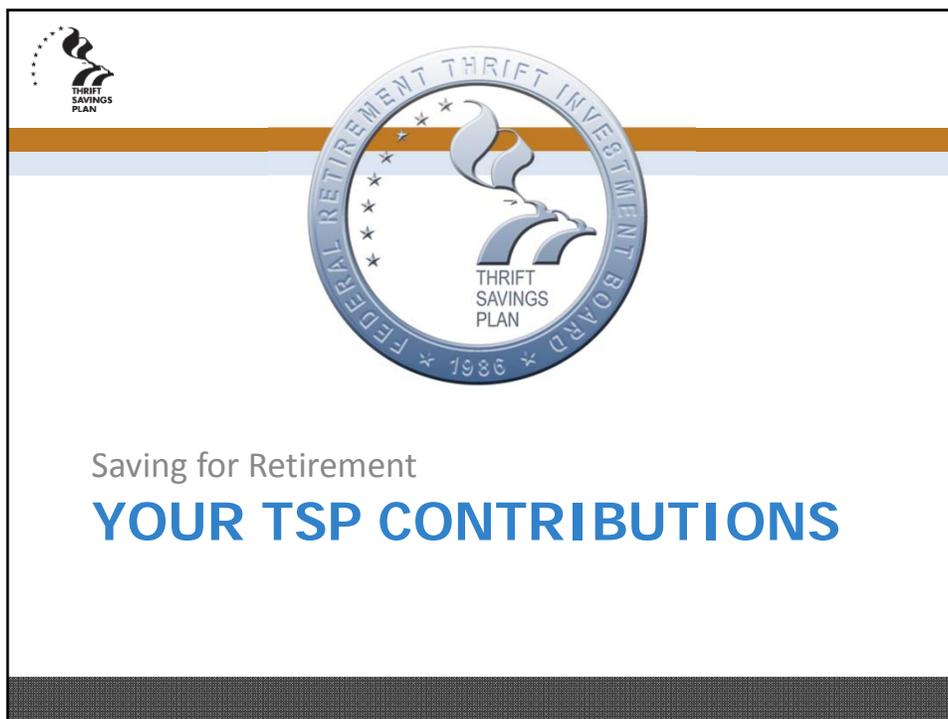
- FERS: contribute enough to get full agency match
 - Contribute five percent to get maximum agency match of four percent
 - Dollar for dollar on first three percent
 - Fifty cents per dollar for next two percent
 - Applies on a per pay date basis - NOT an annual basis
- Allocate contributions to investment funds based on appropriate balance of risk to return
 - Periodically:
 - Review account performance and long-term strategy
 - Rebalance and reallocate based on review
 - Or, choose a Lifecycle Fund – rebalancing and reallocations occur automatically



Factors that affect TSP balance

✗ Harmful

- Frequent Interfund Transfers
 - Short-term, tactical moves using index funds is an unsuccessful long-term investment strategy
- Using TSP to access savings that should have been put into another type of account
 - Loans
 - Temporary depletion
 - Financial Hardship In-Service Withdrawals
 - Permanent depletion



Saving for Retirement

YOUR TSP CONTRIBUTIONS

Planning & Tools

tsp.gov

Learn more about designing your investment plan

Get the most out of your retirement savings by carefully developing a plan for your TSP account.

Investment Strategy

Review a list of questions you should ask yourself before you invest, and find out how to maximize your retirement savings using the benefits of compounding, tax deferral, and account consolidation.

[Learn more](#)

Calculators

Use these calculators to help you plan for a comfortable retirement:

- [How Much Should I Save? \(Ballpark Estimate\)](#)
- [How Much Will My Savings Grow?](#)
- [How Much Can I Contribute?](#)
- [Paycheck Estimator](#)
- [Contribution Comparison Calculator](#)
- [Retirement Income Calculator](#)
- [TSP Monthly Payment Calculator](#)
- [Estimate Loan Payments](#)

Retirement Planning Phases

It is never too early or too late to take advantage of what the TSP has to offer. Consider how to make your TSP savings work for you through contribution elections, catch-up contributions, and asset allocations throughout your career and as you near retirement.

[Learn more](#)

Living in Retirement

Consider how to adjust your asset allocation and determine an effective withdrawal strategy to meet your unique needs during retirement.

[Learn more](#)

TSP Financial Calculator

How Much Will My Savings Grow - FERS

How Much Will My Savings Grow?

1

INTRODUCTION

2

SAVINGS GROWTH INFORMATION

3

SAVINGS GROWTH ESTIMATE

* indicates required fields

Retirement System: FERS

Select Your Type(s) of Growth

This calculator will show you the growth of your current account balance, growth of future contributions from your paycheck, or both. **You must select a growth model:**

Existing Account Balance
 Future Contributions
 Both

Existing Account Balance

* Enter the amount you already have in your TSP account: \$.00

Future Contributions

i If you are a FERS employee, you may begin contributing to the TSP (through payroll contributions) as soon as you are hired. You are also eligible to receive Agency Automatic (1%) and Matching Contributions. Note: Newly hired or rehired FERS employees are automatically enrolled to contribute 3% of basic pay unless they elect otherwise. For more information on eligibility for agency contributions, see [Types of Contributions](#) under Plan Participation.

* Enter the number of years you plan to contribute: years

* Annual Pay: \$.00

* Pay Schedule: ▼

* Enter the whole percentage of annual pay that you would like to save: %

Enter the percentage of your expected annual pay increase: %

Enter the dollar amount that you plan to contribute each year in catch-up contributions: \$.00

i Catch-up contributions are traditional and/or Roth contributions that are made by a participant age 50 or older. You must first exceed the elective deferral limit (\$18,000.00 in 2016) to make catch-up contributions.

Account Growth

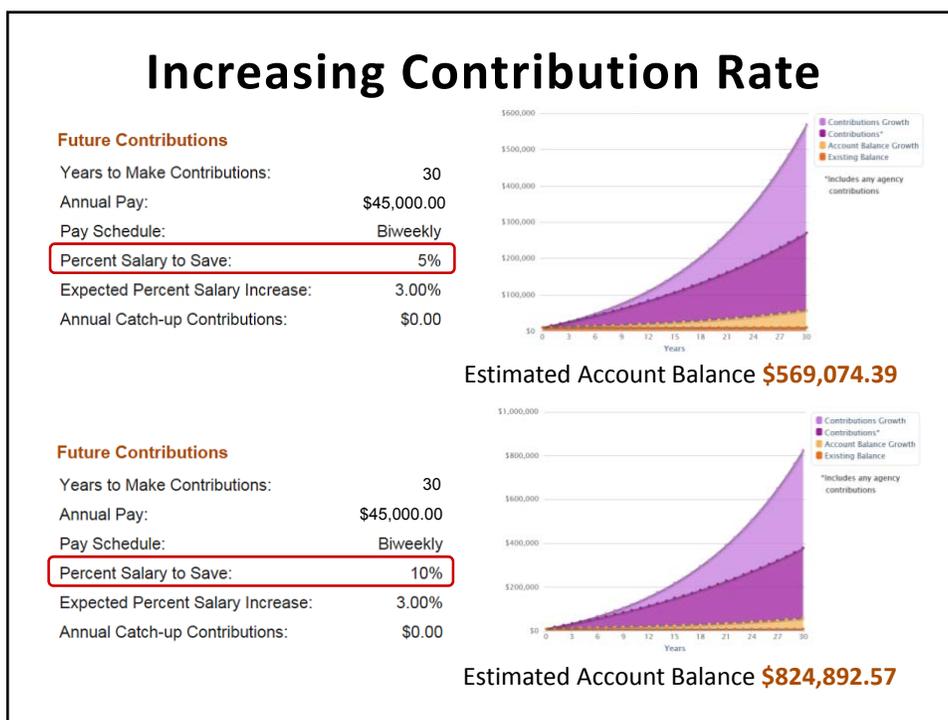
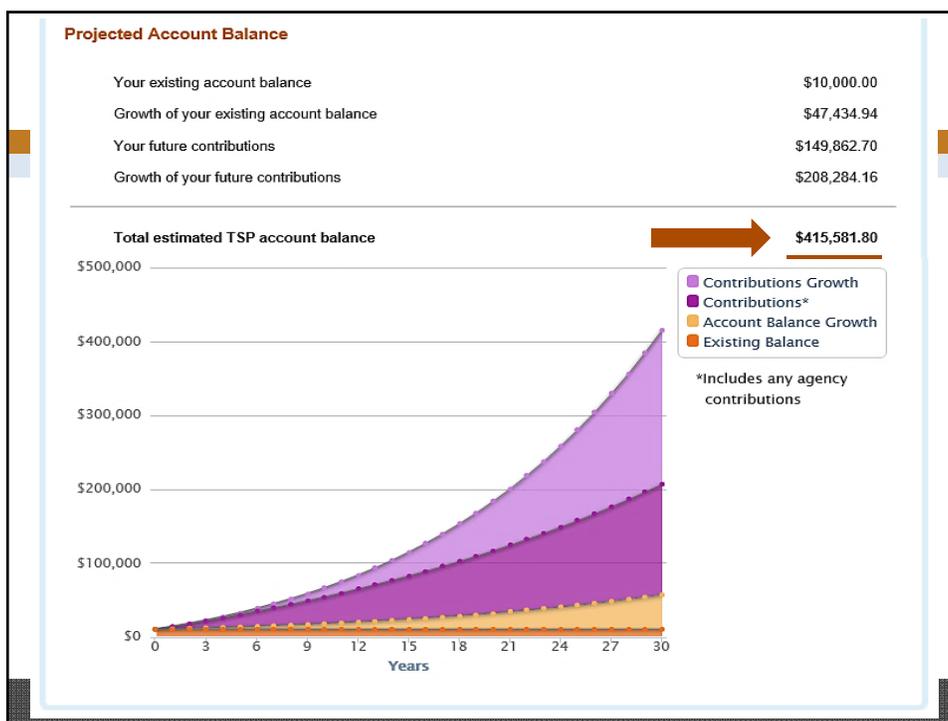
* Enter the number of years left until you begin withdrawing from your TSP account: years

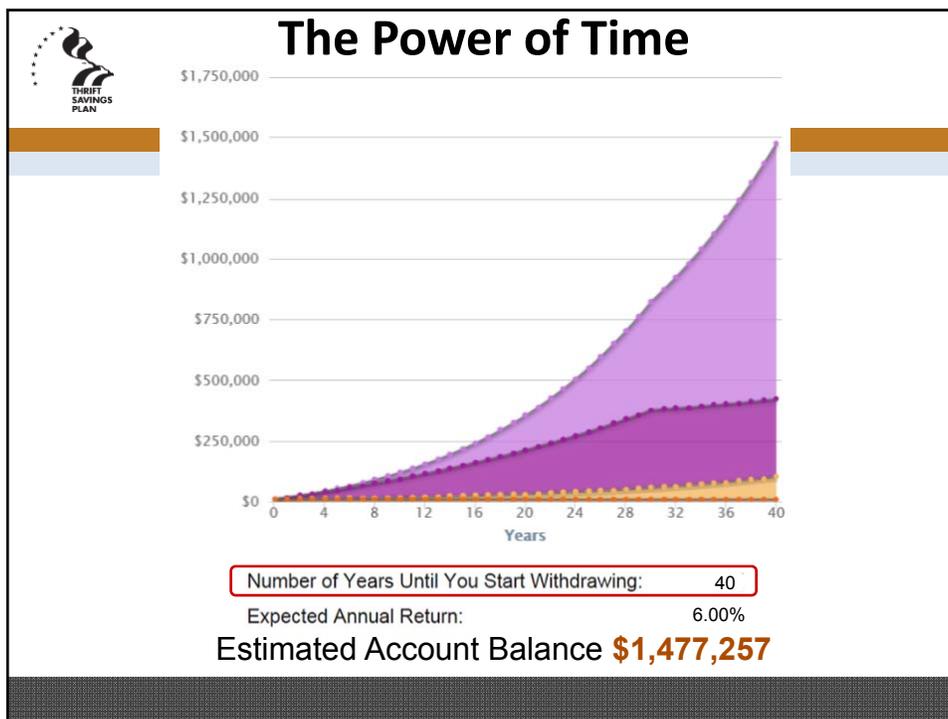
* Expected Annual Return: % [View the Summary of Returns](#). Past performance is not a guarantee or a predictor of future returns.

← Previous

Submit

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TSP

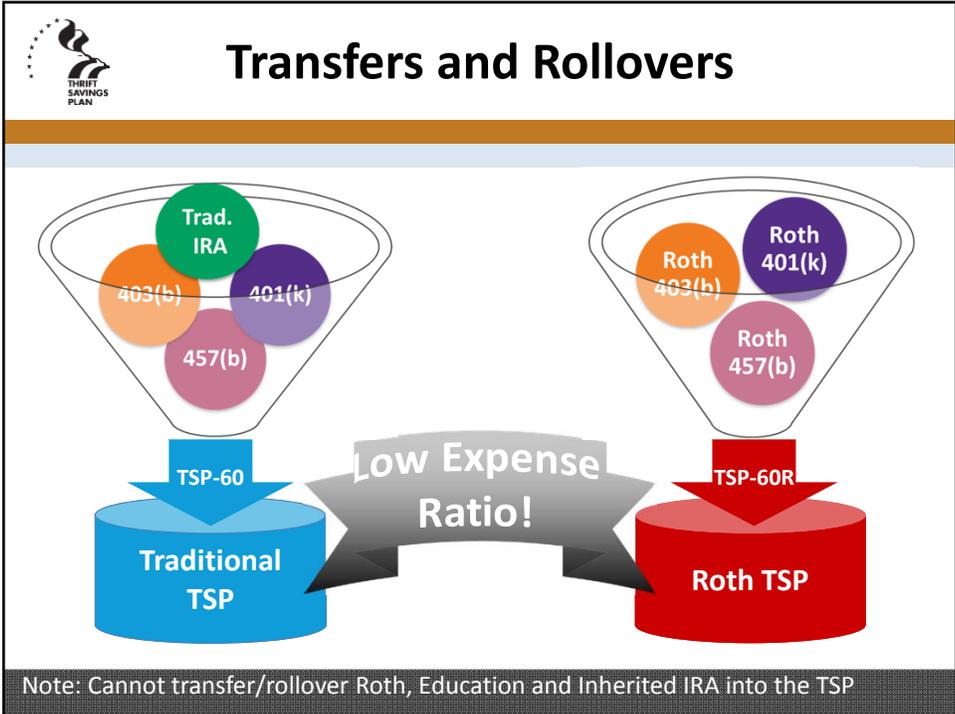
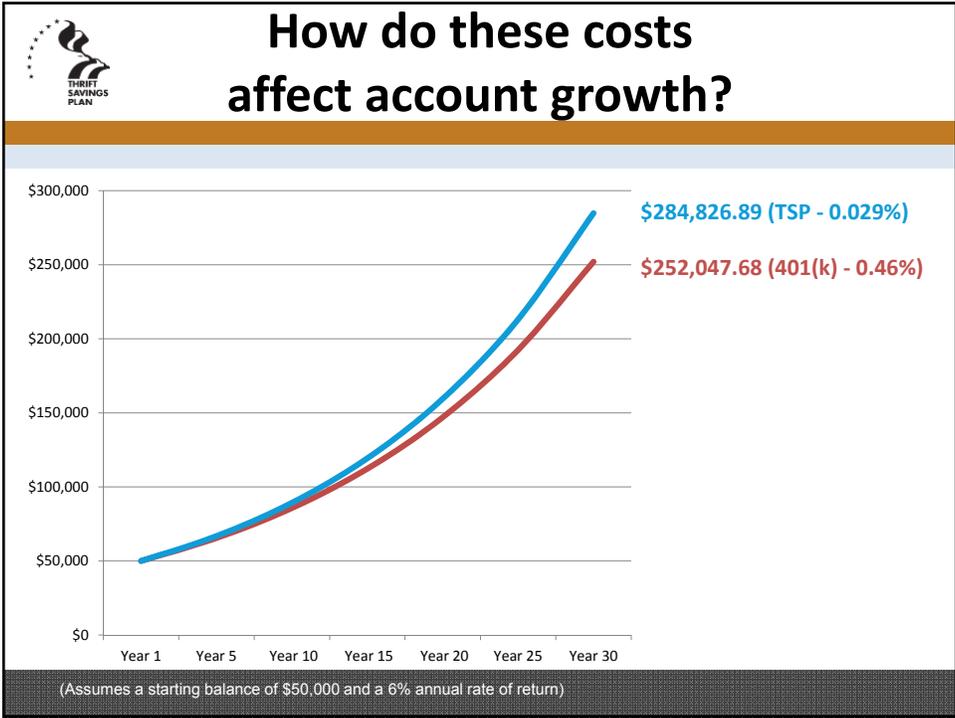
\$0.29 per \$1,000¹

401(k) Plans

\$4.60 per \$1,000²

¹ Net administrative expenses charged to the TSP participant across all funds, 2015

² Median estimated 401(k) plan fees. Source: *NEPC 2015 Defined Contribution Plan & Fee Survey: What a Difference a Decade Makes*, 2015





Transfers and Rollovers

- Transfer (*direct rollover*)
 - Money moves directly from one account or retirement plan to the other
 - Participant does not have use of the money
- Rollover (*60-day* or *indirect rollover*)
 - Participant has use of the money for 60-days
 - May result in taxes, withholdings, and/or penalties if not properly executed

See instructions on Forms TSP-60 and/or TSP-60-R for more information



Combining TSP Accounts

- Participants with civilian and US TSP accounts can request that the two accounts be combined after separation from service
- Only the account related to the separation can be transferred
- TSP accounts cannot be combined after a full withdrawal request has been processed for the “from” account
- Tax-exempt balance in a uniformed services account cannot be transferred to a civilian TSP account
- If married and transferring the uniformed services account to a Civil Service Retirement System (CSRS) account, notarized spousal consent is required
- See the instructions for Form [TSP-65](#), Request to Combine Civilian and Uniformed Services TSP Accounts, for more information,

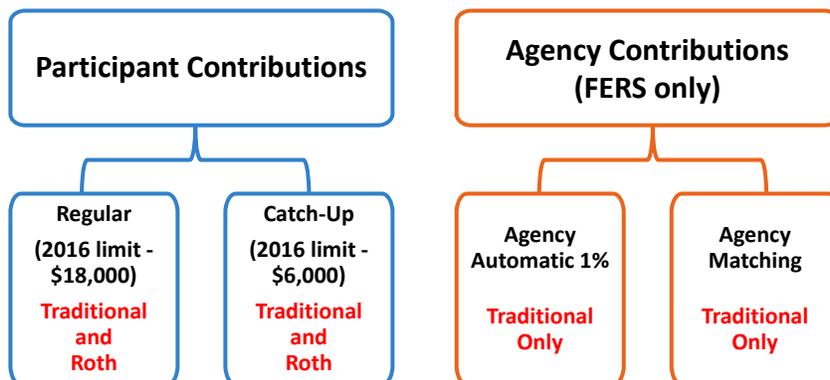


Contribution Elections

- You can start, stop, change, or resume contributions at any time
 - Elections must be submitted to your agency - TSP cannot process elections to deduct from pay
 - Elections can be expressed in dollars or percentages; traditional and/or Roth
- Electronic submissions are preferred (e.g., myPay, Employee Personal Page, LiteBlue, Best, EBIS, Employee Express, etc.) Form [TSP-1](#)/ TSP-U-1 may also be used
- Elections are effective the first full pay period after receipt by the agency
- Catch-up contributions require a separate TSP election



Contribution Sources & Limits





FERS Contributions

Employee Contributions

- All new and rehired employees auto-enrolled at 3% (opt out option)
- Any whole dollar amount or percentage up to IRS elective deferral limit (\$18,000 for 2016)
- Always vested

Agency Contributions*

- Always Traditional
- Agency Automatic (1%) Contributions
 - Subject to vesting
 - Not based on Employee Contributions
- Agency Matching Contributions*
 - Based on first 5% of Employee Contributions per pay period, whether traditional or Roth
 - 4% Maximum
 - \$1/\$1 for first 3%
 - 50¢/\$1 for next 2%
 - Always vested

*NOTE: CSRS not eligible for Agency Automatic or Agency Matching Contributions



Maximizing Your Match

- Ed earns \$3,000 per pay period and contributes 30%
- Susan earns \$3,000 per pay period and contributes \$693

	ED	
	30% EC	4% Match
PC #1	\$900	\$120
PC #2	\$900	\$120
PC #3	\$900	\$120
PC #4	\$900	\$120
.....		
PC #16	\$900	\$120
PC #17	\$900	\$120
PC #18	\$900	\$120
PC #19	\$900	\$120
PC #20	\$900	\$120
.....		
Total PC #20	\$18,000	\$2,400

	SUSAN	
	\$693 EC	4% Matching
PC #1	\$693	\$120
PC #2	\$693	\$120
PC #3	\$693	\$120
PC #4	\$693	\$120
.....		
PC #16	\$693	\$120
PC #17	\$693	\$120
PC #18	\$693	\$120
PC #19	\$693	\$120
PC #20	\$693	\$120
.....		
Total PC #20	\$13,860	\$2,400
.....		
PC #25	\$693	\$120
PC #26	\$675	\$120
Total PC #26	\$18,000	\$3,120



Uniformed Services Contribution Rules

- Contribute 1% to 100% of basic pay
 - Plus any percentage from incentive, special, and bonus pay
- Contributions are subject to the Internal Revenue Code annual limitations
 - elective deferral, § 402(g), limit (\$18,000 for 2016)
 - annual additions, § 415(c), limit (\$53,000 for 2016)
- Contributions deducted from Combat Zone Tax Exempt (CZTE) pay are subject to section 415(c) limits but not 402(g)



Annual Additions Limit

- Includes:
 - tax-deferred and tax-exempt TSP contributions
 - agency/service matching contributions
 - agency automatic (1%) contributions
- Does not include catch-up contributions
- Maximum contribution for officers in a combat zone is \$7,997.10 per month (basic pay of the most senior enlisted member) plus \$225 hostile fire/imminent danger pay*

*<http://www.dfas.mil>



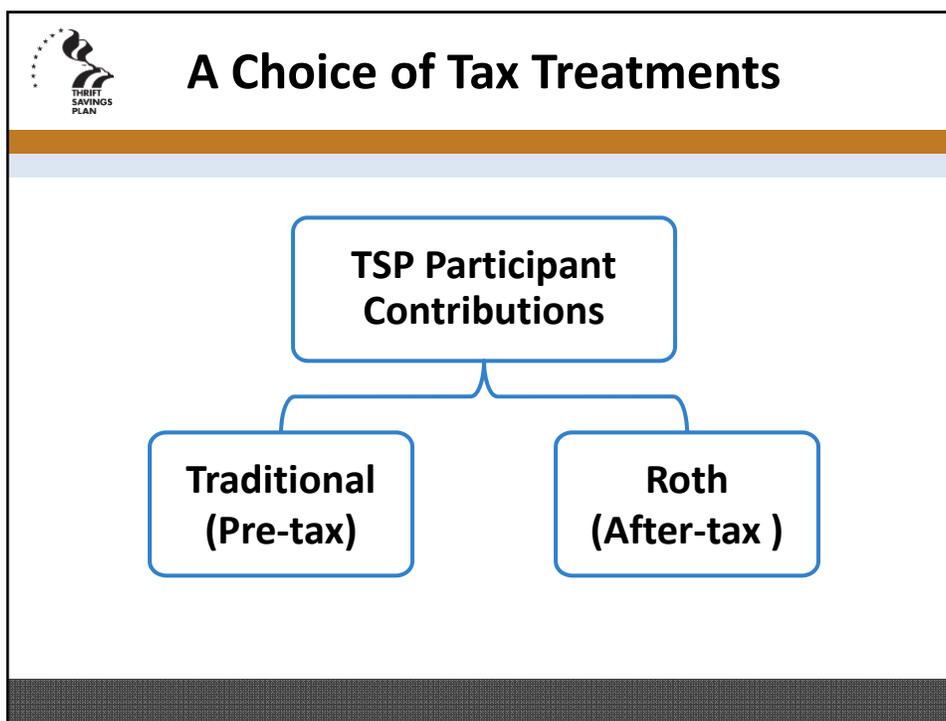
Savings Opportunities for Combat Zone Pay

<h3 style="color: #0070C0;">Thrift Savings Plan (TSP)</h3> <ul style="list-style-type: none"> • Long-term retirement savings plan • Accepts tax-exempt, tax-deferred, and Roth contributions • Variable returns based on investment choices and market performance • Max contribution - up to \$53k per year • May retain the account through retirement 	<h3 style="color: #C07040;">Savings Deposit Plan (SDP)</h3> <ul style="list-style-type: none"> • Short-term savings program • Accepts deposits from tax-exempt combat zone pay only • Guaranteed 10% annual return; accrual is 2.5% quarterly, interest stops accrual 90 days after return • Max contribution - \$10,000 per deployment • Must be withdrawn within 90 days of return from designated combat zone
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Catch-Up Contributions

- Participants turning age 50 or older in the calendar year can make Catch-Up Contributions
 - In addition to the regular TSP contributions
 - Dollar amount only
 - Require a separate election
 - A new election must be submitted for each calendar year
 - Electronic election or TSP-1-C/TSP-U-1-C
- Maximum contribution for 2016 is \$6,000
 - Must self-certify intent to make regular contributions up to the elective deferral limit
- No agency matching on Catch-up contributions



The slide is titled "Traditional TSP" and features the Thrift Savings Plan logo in the top left corner. It contains a bulleted list of four points regarding traditional pre-tax contributions.

- Traditional pre-tax contributions are taken out of income before it is taxed
- This lowers current taxable income and gives a tax break today
- This money grows tax-deferred; when withdrawn BOTH contributions and earnings are taxable
- Agency Automatic (1%) and Agency Matching contributions will always be traditional



Effects of Traditional 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
- Distributions of tax-deferred contributions and earnings 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
 - Ordinary Income taxes when paid to beneficiaries



Roth TSP

- Implemented May 7, 2012 (or as soon as possible thereafter by the agency or service)
- Roth (after-tax) contributions are taken out of participant's paycheck after income is taxed
- Participants must elect to make Roth TSP contributions (Contributions for auto-enrolled participants default to traditional)
- Roth designation is made at agency payroll level prior to contribution deposited into the TSP
- No conversions of existing traditional TSP balance to Roth TSP



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
- Provide a “hedge” against higher future tax rates



Roth TSP – Distributions

- Qualified Distributions
 - 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
 - Age 59½; disabled; or deceased
- 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.



Roth TSP vs Roth IRA

	Roth Employer Plans (e.g., Roth TSP)	Roth IRA
2016 Income Limits	Available to all participants regardless of income	Not available to taxpayers with income above certain limits: MFJ - \$184,000 to \$194,000 MFS - \$0 to \$10,000 All others - \$117,000 to \$132,000
2016 Contribution Limits	\$18,000 (plus an additional \$6,000 if turning age 50 or older)	\$5,500 (\$6,500 if turning age 50 or older)
Required Minimum Distributions	RMDs apply	Not subject to RMDs until the IRA owner dies
Rollover Rules	Can be rolled into another Roth employer plan OR a Roth IRA	May NOT be rolled into Roth TSP or a Roth employer plan; a Roth IRA can only be rolled into another Roth IRA



Traditional vs. Roth

	Traditional TSP (Default)	Roth TSP (By election)
Contributions	Pre-tax/ Tax-Deferred*	After-tax*
Paycheck	Contributions are deducted from pay <i>before</i> Federal taxes are withheld†	<ul style="list-style-type: none"> • Contributions are deducted from pay <i>after</i> Federal taxes are withheld† • Contributions do not reduce current year AGI†
Distributions	Contributions and earnings are taxable as ordinary income when withdrawn	<ul style="list-style-type: none"> • Contributions have already been taxed and will not be taxed again • Earnings are tax free (Qualified Distributions) if: <ol style="list-style-type: none"> 1. 5 years have passed since Jan 1st of the year you made your first Roth contribution, AND 2. Age 59 1/2 or older, permanently disabled, or deceased Non-qualified Distributions are subject to ordinary income tax.

* Contributions from Combat Zone Tax Exclusion Pay will be tax-exempt.
† Deferral of state or county taxes is determined by each individual jurisdiction.



Tax-Advantaged Savings: Do you need the benefit now?

Mike makes traditional contributions	Ike makes Roth contributions																				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Gross Income</td> <td style="text-align: right;">\$40,000</td> </tr> <tr> <td>Minus TSP Contributions</td> <td style="text-align: right;"><u>-\$2,000</u></td> </tr> <tr> <td>Adjusted Income</td> <td style="text-align: right;">\$38,000</td> </tr> <tr> <td>Minus Estimated Federal Income Tax*</td> <td style="text-align: right;"><u>-\$5,300</u></td> </tr> <tr> <td>Spendable Income</td> <td style="text-align: right;">\$32,700</td> </tr> </table>	Gross Income	\$40,000	Minus TSP Contributions	<u>-\$2,000</u>	Adjusted Income	\$38,000	Minus Estimated Federal Income Tax*	<u>-\$5,300</u>	Spendable Income	\$32,700	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Gross Income</td> <td style="text-align: right;">\$40,000</td> </tr> <tr> <td>Minus Estimated Federal Income Tax*</td> <td style="text-align: right;"><u>\$5,800</u></td> </tr> <tr> <td>After-tax Income</td> <td style="text-align: right;">\$34,200</td> </tr> <tr> <td>Minus TSP Contributions</td> <td style="text-align: right;"><u>-\$2,000</u></td> </tr> <tr> <td>Spendable Income</td> <td style="text-align: right;">\$32,200</td> </tr> </table>	Gross Income	\$40,000	Minus Estimated Federal Income Tax*	<u>\$5,800</u>	After-tax Income	\$34,200	Minus TSP Contributions	<u>-\$2,000</u>	Spendable Income	\$32,200
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By contributing traditional (before-tax) money to the TSP, Mike reduces his taxes and has \$500 more to cover everyday expenses.

*IRS Publication 2015 Instructions 1040; filing as single



... or later?

When Mike and Ike withdraw their balance:

Mike's traditional contributions and earnings will be subject to income tax	Ike's Roth contributions and earnings may be withdrawn tax-free												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Future Value of \$2,000*</td> <td style="text-align: right;">\$8,077</td> </tr> <tr> <td>Minus Estimated Federal Income Tax†</td> <td style="text-align: right;"><u>-\$808</u></td> </tr> <tr> <td>Spendable Income</td> <td style="text-align: right;">\$7,269</td> </tr> </table>	Future Value of \$2,000*	\$8,077	Minus Estimated Federal Income Tax†	<u>-\$808</u>	Spendable Income	\$7,269	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Future Value of \$2,000*</td> <td style="text-align: right;">\$8,077</td> </tr> <tr> <td>Minus Estimated Federal Income Tax</td> <td style="text-align: right;"><u>-\$0</u></td> </tr> <tr> <td>Spendable Income</td> <td style="text-align: right;">\$8,077</td> </tr> </table>	Future Value of \$2,000*	\$8,077	Minus Estimated Federal Income Tax	<u>-\$0</u>	Spendable Income	\$8,077
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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 tax rate as previous slide



Retirement Savings Contributions Credit (The Savers' Credit)

Adjusted Gross Income (AGI) limits for 2016

Married Filing Joint	Head of Household	All Other Filers	Credit Max Per Person
\$ 1 - \$37,000	\$1 - \$27,750	\$ 1 - \$18,500	50% of contributions (\$1,000)
\$37,001 - \$40,000	\$27,751 - \$30,000	\$18,501 - \$20,000	20% of contributions (\$400)
\$40,001 - \$61,500	\$30,001 - \$46,125	\$20,001 - \$30,750	10% of contributions (\$200)
Over \$61,500	Over \$46,125	Over \$30,751	No Credit



Savers' Credit Example

Filing Status:	Married Filing Joint
Gross Income:	\$40,000.00
10% (Traditional):	- \$4,000.00
Taxable Income:	\$36,000.00

Married Filing Joint	Credit Max Per Person
\$ 1 - \$37,000	50% of contributions (\$1,000)
\$37,001 - \$40,000	20% of contributions (\$400)
\$40,001 - \$61,500	10% of contributions (\$200)
Over \$61,500	No Credit



Investing for the Long Haul

MANAGING YOUR TSP ACCOUNT



Diversification

- Diversification means spreading money among different investments to reduce risk.
- Can be summed up as “Don’t put all your eggs in one basket.”
- One way to diversify is to allocate your investments among different kinds of assets.
- Historically, stocks, bonds, and cash have not moved up and down at the same time.
- Factors that may cause one asset class to perform poorly may improve returns for another asset class.



Index Investing

- Reduces trading costs and investment management fees by simply buying and holding the stocks or bonds in a particular segment of the market
- Eliminates the anxiety and expense of trying to predict which individual stocks or bonds will beat the market
- Follows a passive management approach by mirroring an index
- Actively managed funds often have higher expense ratios to account for designing and managing a portfolio that attempts to outperform the relevant benchmark

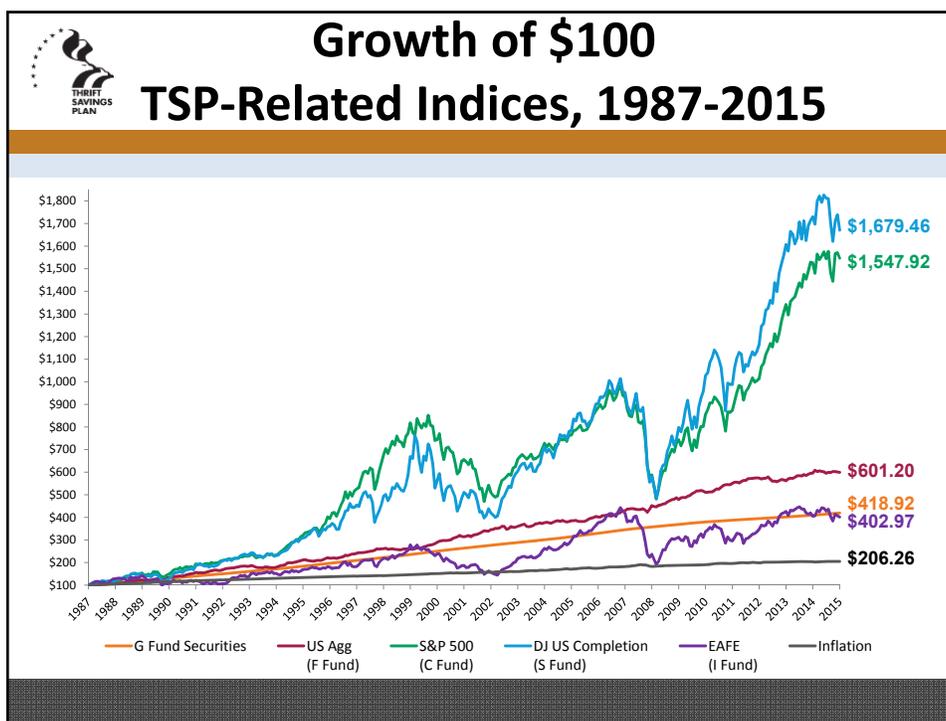
See our L Funds on the reverse side.

C FUND Common Stock Index Investment Fund	S FUND Small Capitalization Stock Index Investment Fund	I FUND International Stock Index Investment Fund	F FUND Fixed Income Index Investment Fund	G FUND Government Securities Investment Fund
<p>What It Is: A fund containing stocks of large and medium-sized U.S. companies</p> <p>Benchmark Index: Standard & Poor's 500 Stock Index</p> <p>P80S: Potential for high investment returns over the long term</p> <p>R80S: Can be volatile depending on stock market performance</p>	<p>What It Is: A fund containing stocks of small to medium-sized U.S. companies</p> <p>Benchmark Index: Dow Jones U.S. Completion TSM Index</p> <p>P80S: Potential for high investment returns over the long term</p> <p>R80S: Can be volatile depending on stock market performance</p>	<p>What It Is: A fund containing international stocks from more than 20 developed countries</p> <p>Benchmark Index: Morgan Stanley Capital International EAFE Stock Index</p> <p>P80S: Potential for high investment returns over the long term</p> <p>R80S: Can be volatile depending on stock market performance. Returns also depend on the value of the U.S. dollar.</p>	<p>What It Is: A fund containing Government, corporate, and asset-backed bonds</p> <p>Benchmark Index: Barclays Capital U.S. Aggregate Bond Index</p> <p>P80S: May earn returns that are higher than money market funds over the long term with relatively low risk</p> <p>R80S: Bond prices fall when interest rates rise. Bonds may be repaid early, reducing your returns.</p>	<p>What It Is: A fund containing Government securities that are specially issued to the TSP</p> <p>P80S: Does not lose money; has a consistent but relatively low investment return</p> <p>R80S: Your money may not grow enough to meet your retirement needs or outpace inflation.</p>

THRIFT SAVINGS PLAN

We offer 5 core funds that you can customize based on your comfort level...

For more comprehensive information, visit the Forms & Publications section of tsp.gov and scroll to "Fund Sheets at a Glance."



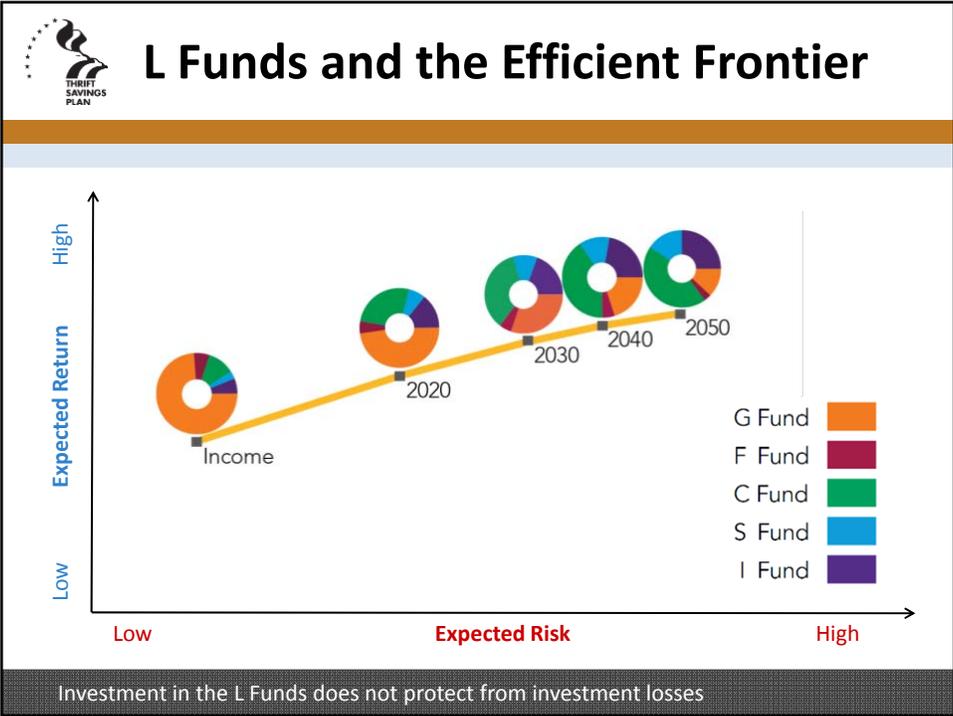
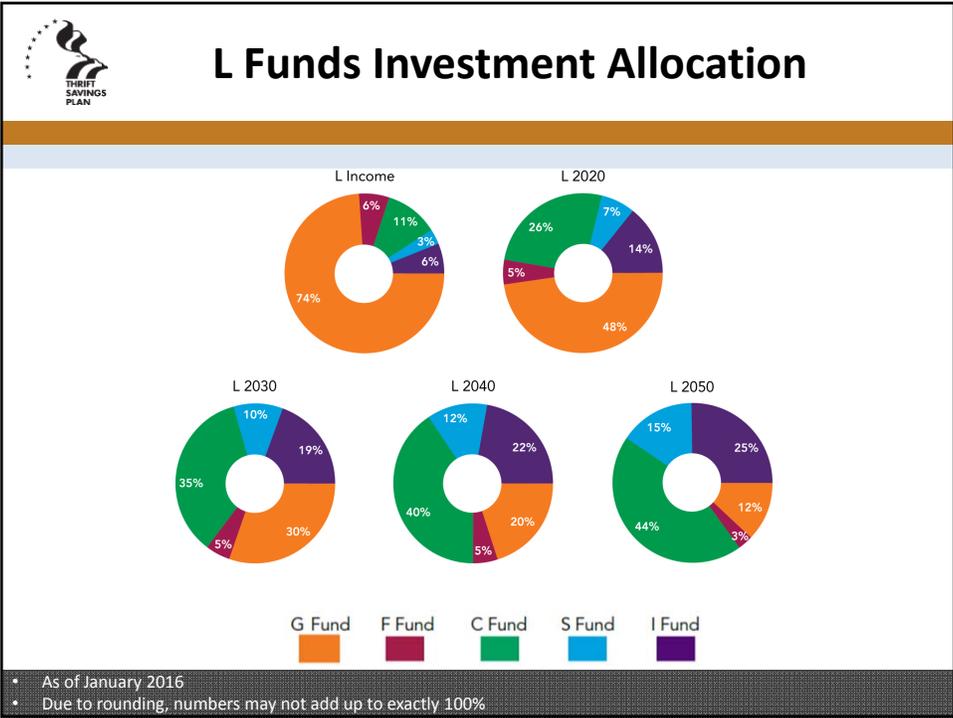
See our core funds on the reverse side.

L 2050 Younger than Age 35	L 2040 Ages 35-44	L 2030 Ages 45-54	L 2020 Ages 55-64	L INCOME Withdrawing soon
<p>What It Is: A mix of core funds designed by our experts</p> <p>Consider If You're: Younger than 35 or planning to need your TSP savings in 2045 or later</p> <p>Strategy: Focused more on the potential for high growth over time than on the preservation of assets</p>	<p>What It Is: A mix of core funds designed by our experts</p> <p>Consider If You're: Age 35-44 or planning to need your TSP savings between 2035 and 2044</p> <p>Strategy: Focused more on the potential for high growth over time than on the preservation of assets</p>	<p>What It Is: A mix of core funds designed by our experts</p> <p>Consider If You're: Age 45-54 or planning to need your TSP savings between 2025 and 2034</p> <p>Strategy: Aims to provide moderate-to-high growth over time with a low emphasis on preserving your assets</p>	<p>What It Is: A mix of core funds designed by our experts</p> <p>Consider If You're: Age 55-64 or planning to need your TSP savings between 2016 and 2024</p> <p>Strategy: Aims to provide moderate growth with a moderate emphasis on preserving your assets</p>	<p>What It Is: A mix of core funds designed by our experts</p> <p>Consider If You're: Withdrawing now or planning to withdraw from your TSP account by 2015</p> <p>Strategy: Aims to preserve your assets while providing some growth</p>

THRIFT SAVINGS PLAN

... and 5 Lifecycle funds that help you navigate investing based on when you'll need your money.

With the exception of L Income, the investment mix of each L Fund becomes more conservative over time. To change your investments, log into the My Account section of tsp.gov and choose "Contribution Allocations" or "Interfund Transfers" on the left.





Average Annual Returns (As of December 2015)

	L Income	L 2020	L 2030	L 2040	L 2050	G Fund	F Fund	C Fund	S Fund	I Fund
1-Year	1.85%	1.35%	1.04%	0.73%	0.45%	2.04%	0.91%	1.46%	(2.92%)	(0.51%)
3-Year	4.18%	7.30%	8.68%	9.65%	10.48%	2.08%	1.93%	15.21%	13.13%	4.80%
5-Year	3.90%	6.50%	7.58%	8.33%	-	2.03%	3.57%	12.63%	10.65%	3.79%
10-Year	4.13%	5.41%	5.90%	6.19%	-	2.94%	4.74%	7.36%	8.03%	3.20%

Average Annual Returns (As of December 2015)

	L Income	L 2020	L 2030	L 2040	L 2050	G Fund	F Fund	C Fund	S Fund	I Fund
1-Year	1.85%	1.35%	1.04%	0.73%	0.45%	2.04%	0.91%	1.46%	(2.92%)	(0.51%)
3-Year	4.18%	7.30%	8.68%	9.65%	10.48%	2.08%	1.93%	15.21%	13.13%	4.80%
5-Year	3.90%	6.50%	7.58%	8.33%	-	2.03%	3.57%	12.63%	10.65%	3.79%
10-Year	4.13%	5.41%	5.90%	6.19%	-	2.94%	4.74%	7.36%	8.03%	3.20%
Since Inception	4.14%	5.48%	5.97%	6.27%	3.95%	5.29%	6.45%	10.09%	8.37%	4.23%
Inception Date	08/01/05	08/01/05	08/01/05	08/01/05	01/31/11	04/01/87	01/29/88	01/29/88	05/01/01	05/01/01

Monthly Returns (Last 12 Months)

	L Income	L 2020	L 2030	L 2040	L 2050	G Fund	F Fund	C Fund	S Fund	I Fund
2015										
Feb	1.19%	2.95%	3.80%	4.39%	4.99%	0.13%	(0.91%)	5.75%	6.05%	5.97%
Mar	(0.07%)	(0.44%)	(0.58%)	(0.64%)	(0.76%)	0.16%	0.47%	(1.57%)	1.24%	(1.43%)
Apr	0.37%	0.81%	0.95%	1.00%	1.16%	0.15%	(0.28%)	0.96%	(1.50%)	4.11%
May	0.30%	0.50%	0.62%	0.72%	0.78%	0.17%	(0.26%)	1.29%	1.84%	(0.42%)
Jun	(0.33%)	(0.97%)	(1.28%)	(1.46%)	(1.66%)	0.17%	(1.07%)	(1.93%)	(0.71%)	(2.80%)
Jul	0.52%	1.03%	1.22%	1.33%	1.46%	0.19%	0.74%	2.10%	(0.12%)	2.08%
Aug	(1.10%)	(3.06%)	(4.04%)	(4.69%)	(5.37%)	0.18%	(0.11%)	(6.03%)	(5.80%)	(7.36%)
Sep	(0.51%)	(1.67%)	(2.26%)	(2.67%)	(3.09%)	0.18%	0.75%	(2.47%)	(4.80%)	(5.02%)
Oct	1.64%	3.72%	4.88%	5.58%	6.31%	0.17%	0.02%	8.45%	5.61%	7.07%
Nov	0.17%	0.17%	0.20%	0.24%	0.24%	0.17%	(0.24%)	0.31%	1.75%	(0.86%)
Dec	(0.28%)	(0.92%)	(1.32%)	(1.61%)	(1.85%)	0.18%	(0.30%)	(1.57%)	(3.91%)	(2.03%)
2016										
Jan	(0.91%)	(2.55%)	(3.58%)	(4.21%)	(4.86%)	0.19%	1.49%	(4.96%)	(8.72%)	(5.62%)
Last 12 mo	1.01%	(0.66%)	(1.76%)	(2.52%)	(3.29%)	2.06%	0.26%	(0.59%)	(9.72%)	(7.21%)



Participant-Directed Account Transactions

Contribution Allocation	Interfund Transfer
<ul style="list-style-type: none"> - Participant tells TSP how they want new money to be invested among the TSP fund options - Includes employee contributions, agency contributions, TSP loan payments, and any transferred or rollover funds 	<ul style="list-style-type: none"> - Redistributes fund balances among existing TSP fund options - Does not affect the investment of future deposits into their TSP account
<p>Done via TSP ThriftLine (877) 968-3778 or website TSP.gov</p>	
<p>Generally effective as of close of business each day (based on 12 noon ET cutoff)</p>	
<p>Participant will receive confirmation via website, email or mail</p>	



Interfund Transfer Limits

For each calendar month, the *first two* interfund transfers redistribute money 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:

		1 st IFT of the Month		2 nd IFT of the Month					
G	20%	G	100%	G	10%	G	60%	G	100%
F		F		F		F		F	
C		C		C	40%	C	20%	C	
S		S		S	35%	S	5%	S	
I		I		I	15%	I	15%	I	
L	80%	L		L		L		L	





Thrift Savings Plan

Participant Address →

Your Quarterly Statement
for the period
10/01/2013 – 12/31/2013

Account Number: [REDACTED]

Date of Birth: [REDACTED]
Retirement Coverage: FERS
Employment Status: Active
Service Required for Vesting: 3 years from [REDACTED]

A Message for You

Great news! Now you can easily access your TSP account through your Android, iPhone, or similar smartphone by visiting the TSP's website (tsp.gov). You do not need to download an app to use this great feature. Just go to My Account from your smartphone and you will be directed to a mobile version, where you can view your account balance, transaction history, and perform contribution allocations and interfund transfers. Want to visit the non-mobile site? Just select the "Full Site" button on the top right of the screen.

Your Personal Rate of Return

Last 12 Months
10.26%

Questions? tsp.gov
ThriftLine: 1-TSP-YOU-FIRST
1-877-368-3778
Outside U.S. and Canada: 404-233-4400
TDD: 1-TSP-THURTS
1-877-647-4385
YouTube.com/TSP4gov
To correct personal or contribution information, contact your agency.

← **Participant Information**

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

Value on October 1, 2013	\$77,376.86
Contributions and Additions	\$670.08
Withdrawals and Deductions	-\$14,000.00
Investment Gain (or Loss)	\$1,318.74
Value on December 31, 2013	\$65,371.68

Your vested account balance is **\$65,371.68**

Account Balance →

Your account balance distribution

L 2050	0%	G Fund	62%
L 2040	0%	F Fund	0%
L 2030	0%	C Fund	29%
L 2020	0%	S Fund	5%
L Income	0%	I Fund	1%

Your investment allocation for future contributions

L 2050	0%	G Fund	60%
L 2040	0%	F Fund	0%
L 2030	0%	C Fund	30%
L 2020	0%	S Fund	5%
L Income	0%	I Fund	5%

← **Rate of Return**



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
Individual Funds										
G Fund	\$48,554.54	\$405.64	-\$8,665.38	\$0.00	\$91.14	\$40,385.94	\$14.2073	3,417.5775	\$14.2356	2,836.9681
C Fund	21,230.80	202.85	-3,932.24	0.00	1,006.17	18,507.58	21.6001	982.9029	22.6602	816.7443
S Fund	6,637.01	33.79	-1,224.29	0.00	197.68	5,644.19	31.0038	214.0709	31.8829	177.0288
I Fund	954.51	33.60	-178.09	0.00	23.75	833.97	24.1817	39.4724	24.7306	33.7220
Total	\$77,376.86	\$676.08	-\$14,000.00	\$0.00	\$1,318.74	\$65,371.68				

YOUR QUARTERLY LOAN SUMMARY

Loan ID	Principal as of 10/01/2013	Amount of New Loan	TOTAL Principal Repaid	Principal as of 12/31/2013	TOTAL Interest Paid	Last Loan Payment
1009001G	\$0.00	\$14,000.00	\$173.95	\$13,826.05	\$3.41	10/25/2013

YOUR TRANSACTION DETAIL BY SOURCE

Payroll Office	Posting Date	Transaction Type	Employee Traditional	Employee Roth	Agency Automatic (%)	Matching	Total
		Beginning Balance	\$38,451.69	\$0.00	\$8,135.29	\$30,789.88	\$77,376.86
97380100	10/10/2013	Contribution	124.68	0.00	24.94	99.74	249.36
	10/21/2013	Loan Disbursement	-14,000.00	0.00	0.00	0.00	-14,000.00
97380100	10/24/2013	Contribution	124.68	0.00	24.94	99.74	249.36
FRB	10/25/2013	Loan Repayment	177.36	0.00	0.00	0.00	177.36
		Gain or Loss This Quarter	638.35	0.00	142.15	538.24	1,318.74
		Ending Balance	\$25,516.76	\$0.00	\$8,327.32	\$31,527.60	\$65,371.68




LOANS & IN-SERVICE WITHDRAWALS



Types of Loans



General Purpose
No documentation required
(1-5 years)



Residential
For purchase or construction
of a primary residence only
(1-15 years)



Costs of a Loan

- \$50.00 processing fee - deducted when loan is disbursed
- Loan interest
 - Based on G fund rate at time application is processed
 - Fixed for life of the loan
 - Not tax deductible
- The invisible (and probably the largest) cost – foregone investment earnings and reduced compounding of retirement savings



Other Loan Rules

- May have a maximum of two loans outstanding at one time
 - Participants may have one residential and one general purpose loan outstanding
- When a loan is paid in full there will be a 60-day waiting period before another like loan application is accepted
- Valid or pending court order prevents loan disbursement
- See tsp.gov/planparticipation or the TSP booklet, Loans, for more information



Available Loan Amount

- Minimum Amount: \$1,000 (must be employee contributions and associated earnings)
- Maximum Amount (example on next slide) cannot exceed the smallest of the following:
 - Never more than your contributions and earnings, or
 - 50% of the total vested account balance*, or \$10,000, which ever amount is greater, or
 - Never more than \$50,000 minus the highest outstanding loan balance over the past 12 months
- The ThriftLine and website can provide the maximum amount available for a loan, loan interest rate, application and status of a loan application

* The total vested account balance includes agency matching contributions, if vested agency automatic contributions, account balances from civilian and uniformed services account, and any outstanding loans from both TSP accounts

Your account status when loan application is made:	
1. Your contributions and earnings in your account	\$11,161.65
2. Your vested account balance plus your outstanding TSP loan balance, if any	\$21,862.02
3. Your highest outstanding TSP loan balance in the last 12 months, if any (from your quarterly statement, increased by loan disbursements made to you in the current quarter)	\$0.00
4. Your current outstanding TSP balance, if any (from your last quarterly statement, decreased by loan payments made by you in the current quarter)	\$0.00
Calculation to determine your maximum loan amount:	
5. The Contributions and Earnings Test (item 1)	\$11,161.65
6. The IRS Vested Balance Test	
(a) Enter your vested account balance (item 2)	\$21,862.02
(b) Calculate 1/2 of line (a)	\$10,931.01
(c) Enter \$10000	\$10,000.00
(d) Enter larger of line (b) or line (c)	\$10,931.01
(e) Enter your current outstanding loan balance, if any (item 4)	\$0.00
(f) Subtract line (e) from line (d)	\$10,931.01
7. The IRS \$50,000 test	
(a) Enter \$50000	\$50,000.00
(b) Enter the amount of your highest outstanding TSP loan balance in the last 12 months (item 3)	\$0.00
(c) Subtract line (b) from line (a)	\$50,000.00
8. Maximum new loan amount you can borrow is the <i>smallest</i> of the amounts in the boxes on lines 5, 6(f), and 7(c)	\$10,931.01



Repaying the Loan

- Payroll deduction based on the schedule of loan payments
- Participants may send additional payments in any amount
 - Personal checks, money orders or cashier's checks must be accompanied by loan coupon
- Multiple voluntary reamortizations
 - Participant may reamortize on TSP website or by calling the TSP to raise or lower payments only
- No post-service withdrawal options can be processed until the outstanding loan is settled



Financial Hardship Withdrawals

- Qualifying circumstances
 - Negative monthly cash flow
 - Medical expenses
 - Personal casualty losses
 - Legal expenses for separation or divorce
- Restrictions
 - Minimum withdrawal \$1,000
 - May only withdraw your own contributions and earnings
 - Six month non-contribution/waiting period



Costs of a Financial Hardship Withdrawal

- Withdrawal can't be repaid – permanently reduces retirement savings
- Contributions suspended for 6 months
 - No contributions means no matching (FERS)
- Withholding rate is 10%, actual tax is likely to be higher
- Additional 10% penalty tax on distributions prior to age 59½
- See tsp.gov/plan participation or the TSP booklet, In-Service Withdrawals, for more information



Age-Based Withdrawals

- Participants age 59½ or older may take a lump sum withdrawal (one-time only) while still in service
- Minimum withdrawal is \$1,000; maximum is entire vested account balance
- All or any portion may be transferred to an IRA or another eligible employer plan
- See the instructions for Form TSP-75, Age-Based In-Service Withdrawal Request, for more information



Turning Savings to Income

THE TSP RETIREMENT INCOME OPTIONS



Post-Service Withdrawals

- Partial Withdrawal
- Full Withdrawal Options
 - **Flexible Income:** Monthly payments
 - **Lifetime Income:** TSP life annuity
 - **Lump Sum:** Single payment
- **Custom:** Mixed Withdrawal Options
- See tsp.gov/plan participation or the TSP booklet, *Withdrawing Your TSP Account*, for more information



Partial Withdrawal

- Participant must be separated:
 - one-time only election, minimum \$1000
- Allows participants to take a partial distribution while continuing to enjoy the low costs and other advantages TSP offers
 - **Note:** Option only available if you have not elected an age-based in-service withdrawal or elected a full withdrawal
- Gives participants an opportunity to transfer a portion of their account to an IRA or another qualified plan
- Participant should discuss all options with tax or financial professional before making withdrawal decision



Deferred Income (Leave It In – Let It Grow)

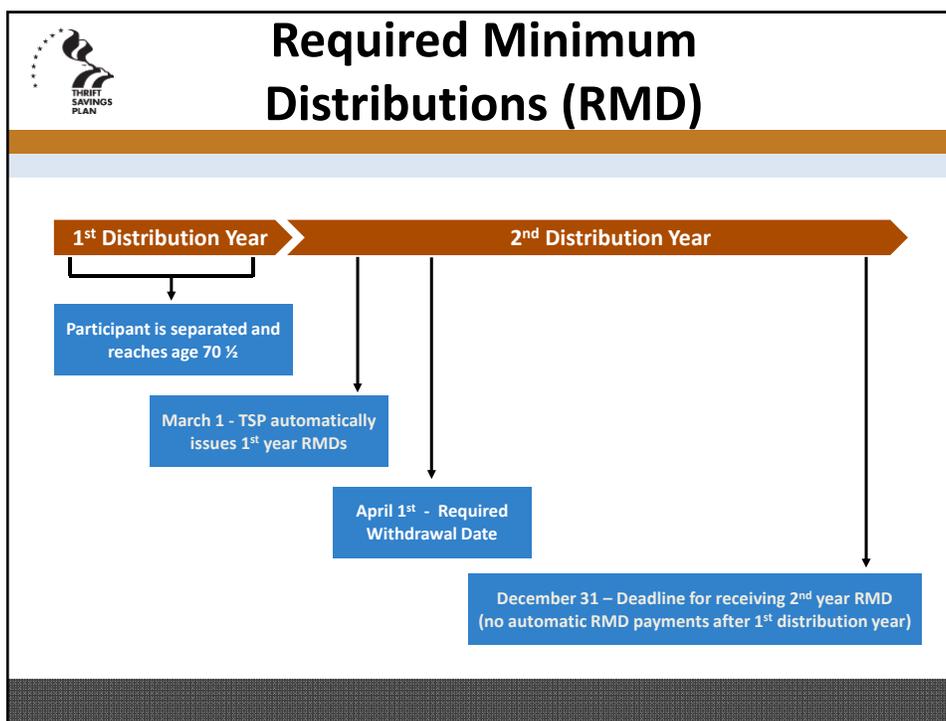
- If you don't need income from the TSP immediately upon retirement, you can leave your savings in the plan and do nothing
- After separation, you can still transfer or roll in money from traditional IRAs or eligible employer retirement plans
- You can continue to build wealth by staying invested in the TSP funds and earning market returns
- Income taxes are deferred until you begin receiving income distributions
- By April 1st of the year following the year you become 70½ and are separated from service, you must begin to take required minimum distributions from your TSP account, to include Roth balance



Required Minimum Distributions (RMD)

- Participants age 70½ AND separated must receive (and pay taxes on) income from the TSP every year
- The minimum amount of income (RMD) is recalculated annually
- First year RMD must be received by April 1 of the year following the year you turn 70½
 - Subsequent RMDs must be received by December 31 every year

See TSP tax notice: Important Tax Information About Your TSP Withdrawal and Required Minimum Distributions for more information



Uniform Lifetime Table

Uniform Lifetime Table for Calculating Minimum Distributions*

Age	Distribution Period	Age	Distribution Period	Age	Distribution Period
70	27.4	90	11.4	110	3.1
71	26.5	91	10.8	111	2.9
72	25.6	92	10.2	112	2.6
73	24.7	93	9.6	113	2.4
74	23.8	94	9.1	114	2.1
75	22.9	95	8.6	115+	1.9
76	22.0	96	8.1		
77	21.2	97	7.6		
78	20.3	98	7.1		
79	19.5	99	6.7		
80	18.7	100	6.3		
81	17.9	101	5.9		
82	17.1	102	5.5		
83	16.3	103	5.2		
84	15.5	104	4.9		
85	14.8	105	4.5		
86	14.1	106	4.2		
87	13.4	107	3.9		
88	12.7	108	3.7		
89	12.0	109	3.4		

Source: TSP-775, Important Tax Information About Your TSP Withdrawal and Required Minimum Distributions



Flexible Income

- **Monthly Payments: Fixed Dollar Amount**
 - Amount specified by participant
 - Minimum payment \$25
 - Amount may be changed annually
- **Monthly Payments: Based on Life Expectancy**
 - Payments are computed by TSP
 - Amount automatically adjusts annually



Modeling Monthly Payments

Overview
TSP Monthly Payments
Single Life Annuity
Joint Life with Spouse Annuity
Joint Life with Other Survivor Annuity

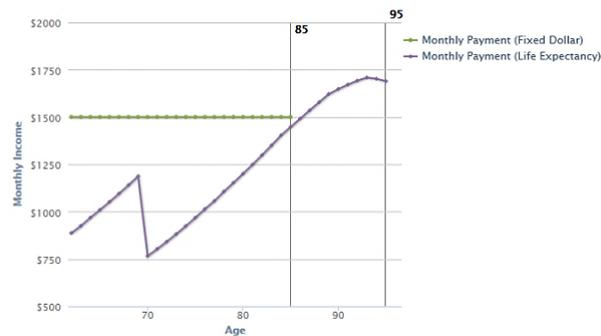
TSP Monthly Payments
Change Options
Printer-Friendly Report

Graph
 Table
 Combined

Monthly Income by Age in Retirement

Roll over the graph below to view your monthly income amounts by age in retirement.

Click on the items below to view or hide them on the graph.



Age	Monthly Payment (Fixed Dollar)	Monthly Payment (Life Expectancy)
70	\$1500	\$900
72	\$1500	\$1200
74	\$1500	\$750
80	\$1500	\$1100
85	\$1500	\$1500
90	\$1500	\$1700
95	\$1500	\$1750



Changes to Monthly Payments

- You can change:
 - TSP-73, From life expectancy to fixed dollar payments
 - (One-time-only, October 1 - December 15)
 - TSP-73, The amount of your fixed dollar payments
 - (Once a year, October 1 - December 15)
 - TSP-78, The way your monthly payments are handled
 - Direct deposit
 - Transfers
 - Withholdings
 - TSP-79, From monthly payments to a final single payment



Investing After Separation

- Investing After Separation
 - Separated participants can continue to make active investing decisions, including two unrestricted interfund transfers per month
 - Will continue to get market returns depending on which funds you are invested in



Lifetime Income

- **TSP Life Annuity**
 - Income is assured for the life of the annuitant(s)
 - Funds are transferred from TSP to the annuity provider, and benefits are “locked in” when the request is processed



Annuity Features

	Single Life	Joint Life with Spouse	Joint Life with Other Survivor
Survivor benefit (50% or 100%)		✓	✓
Level payments	✓	✓	✓
Increasing payments	✓	✓	
Cash refund	✓	✓	✓
10-year certain	✓		



Single Life Annuity Example Cost Comparison of Features

Age	Level Payments			Increasing Payments		
	Basic Features	w/ Cash Refund	w/ 10 Year Certain	Basic Features	w/ Cash Refund	w/ 10 Year Certain
65	\$1,680.00	\$1,527.00	\$1,635.00	\$1,174.00	\$1,046.00	\$1,144.00
66	\$1,680.00	\$1,527.00	\$1,635.00	\$1,210.00	\$1,078.00	\$1,178.00
67	\$1,680.00	\$1,527.00	\$1,635.00	\$1,246.00	\$1,110.00	\$1,214.00
68	\$1,680.00	\$1,527.00	\$1,635.00	\$1,283.00	\$1,143.00	\$1,250.00
69	\$1,680.00	\$1,527.00	\$1,635.00	\$1,322.00	\$1,177.00	\$1,288.00
70	\$1,680.00	\$1,527.00	\$1,635.00	\$1,362.00	\$1,213.00	\$1,326.00
71	\$1,680.00	\$1,527.00	\$1,635.00	\$1,402.00	\$1,249.00	\$1,366.00
72	\$1,680.00	\$1,527.00	\$1,635.00	\$1,444.00	\$1,287.00	\$1,407.00
73	\$1,680.00	\$1,527.00	\$1,635.00	\$1,488.00	\$1,325.00	\$1,449.00
74	\$1,680.00	\$1,527.00	\$1,635.00	\$1,532.00	\$1,365.00	\$1,493.00
75	\$1,680.00	\$1,527.00	\$1,635.00	\$1,578.00	\$1,406.00	\$1,538.00

<https://www.tsp.gov/planningtools/retirementcalculator/retirementCalculator.shtml>



Lump Sum Withdrawal

- **Single Payment Withdrawal**
 - You can request all or any percentage of your account balance as a single payment



Mixed Withdrawal

IV. WITHDRAWAL ELECTION— This section is required. Choose one or more methods. Indicate percentages in whole numbers. If choosing monthly payments, include the dollar amount of each payment or choose to have the TSP compute your payments based on your life expectancy.

23. I would like to withdraw my entire account balance as follows:

a. .0% Single Payment

b. .0% Life Annuity (Must equal \$3,500 or more. Also complete Page 6.)

c. .0% TSP Monthly Payments → Tell us how to pay your monthly payments:

100 % (Total a, b, and c) \$, .00 per month (\$25.00 or more)

OR

Compute my payments based on my life expectancy.

Form TSP-70




Withdrawal Wizard


Thrift Savings Plan

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My Account
Plan Participation
Investment Funds
Planning & Tools
Life Events
Participant Support

Home > My Account > Withdrawals Print this page | Text size: + -

Account: Uniformed Services Go

Request for Full Withdrawal: Uniformed Services

1 About You
2 Spouse Information
3 Withdrawal Information
4 Review Withdrawal
5 Certification
6 Finish

Account Information

- Account Balance
- Recent Transactions
- Activity Summary
- Statements
- Correspondence from the TSP
- Message Center

Online Transactions

- Contribution Allocations
- Interfund Transfers

You may withdraw your entire account balance as a Single Payment, a Life Annuity, as TSP Monthly Payments, or any combination of these three options.

Note: The minimum threshold to purchase an annuity is \$3,500. You may choose to purchase an annuity as long as you have at least \$3,500 in your traditional (non-Roth) balance.

Indicate the percentage of your account that you would like for each withdrawal option. Be certain that your percentages total to 100%:

Single payment	<input type="text" value="10"/>	.0 %
Life annuity	<input type="text" value="20"/>	.0 %
TSP Monthly payments	<input type="text" value="70"/>	.0 %
Total	<input type="text" value="100"/>	.0 %

Cancel
← Previous
Continue →

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Planning & Tools

Learn more about designing your investment plan

Get the most out of your retirement savings by carefully developing a plan for your TSP account.

Investment Strategy
Review a list of questions you should ask yourself before you invest, and find out how to maximize your retirement savings using the benefits of compounding, tax deferral, and account consolidation.
[Learn more](#)

Calculators
Use these calculators to help you plan for a comfortable retirement:

- [How Much Should I Save? \(Ballpark Estimate\)](#)
- [How Much Will My Savings Grow?](#)
- [How Much Can I Contribute?](#)
- [Paycheck Estimator](#)
- [Contribution Comparison Calculator](#)
- [Retirement Income Calculator](#)
- [TSP Monthly Payment Calculator](#)
- [Estimate Loan Payments](#)

Retirement Planning Phases
It is never too early or too late to take advantage of what the TSP has to offer. Consider how to make your TSP savings work for you through contribution elections, catch-up contributions, and asset allocations throughout your career and as you near retirement.
[Learn more](#)

Living in Retirement
Consider how to adjust your asset allocation and determine an effective withdrawal strategy to meet your unique needs during retirement.
[Learn more](#)





Withdrawal Rules

OTHER CONSIDERATIONS



Submitting Withdrawal Forms

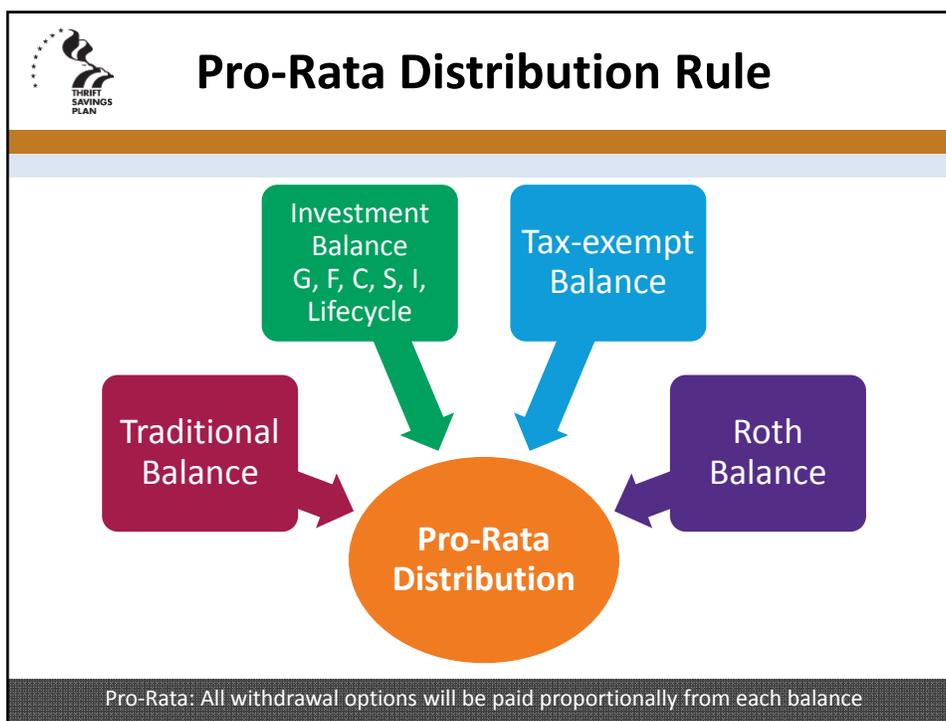
- Separated participants should not submit withdrawal forms until officially separated and the separation code is received by the TSP
- Married participants must print their withdrawal form from the TSP website
 - Provide notarized participant signature
 - Return the withdrawal request to the TSP for processing



Spouses' Rights

Retirement Plan	Requirement*	Exceptions [†]
FERS or Uniformed Services	Notarized spouse signature required**	Whereabouts unknown or exceptional circumstances - TSP-16 or TSP-U-16 required
CSRS	Spouse is entitled to notification 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
 **If married but no spouse signature: Spouse is entitled to a Joint Life Annuity with 50% Survivor Benefits, Level Payments, and no cash refund feature
 † Waiver of spouse's signature/notification valid for 90 days from approval



Tax Withholdings & Portability

Type of Payment	Eligible for transfer or rollover?	Federal income tax withholding rate
Lump sum distributions: Single payments, age-based and partial withdrawals, final withdrawal following a series of monthly payments	Yes	20% (mandatory) unless transferred
Monthly payments for less than 10 years	Yes	20% (mandatory) unless transferred
Monthly payments for 10 years or more	No	As if Married w/3 (may be decreased or waived)
Monthly Payments based on life expectancy	No	As if Married w/3 (may be decreased or waived)

See TSP-536, *Important Tax Information About Payments From Your TSP Account*, for more information



Changing Payment Scenario

Before (2015)

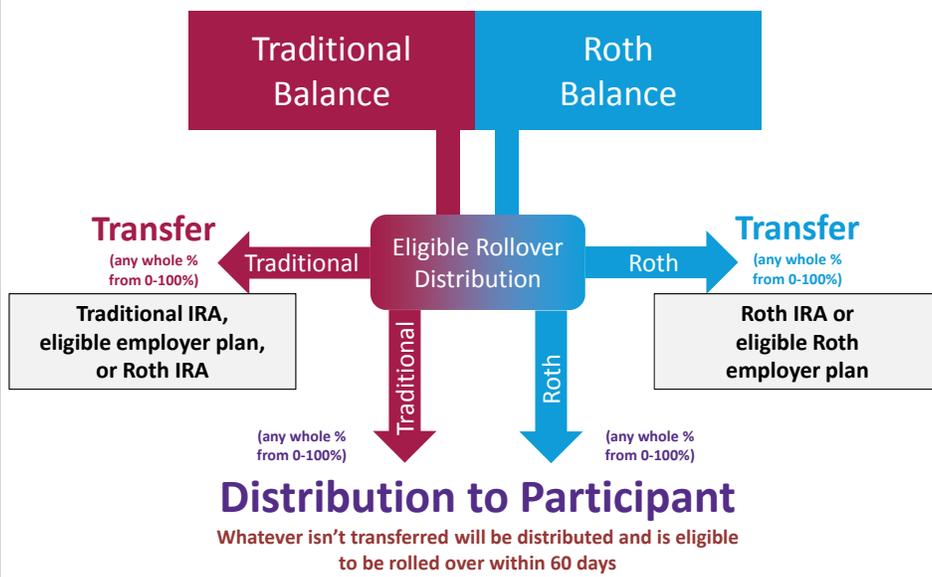
- Opening balance - \$105k
- Monthly payment - \$800
- Estimated number of payments - 132
- Payment type - periodic payments
- Withholding- As if married with 3 dependents
- Net monthly payment - \$800

After (2015)

- Opening balance - \$100k
- Monthly payment - \$850
- Estimated number of payments - 117.6
- Payment type - eligible rollover distribution
- Withholding (20%) - \$170
- Net monthly payment - \$680

Eligible Rollover Distributions

TSP Account





Exceptions to the IRS Early Withdrawal Penalty

The 10% IRS Early Withdrawal Penalty does not apply to payments that are:

- Received at age 59½ or later
- Received after you separate/retire during or after the year you reach age 55 (or the year you reach age 50 if you are a public safety employee as defined in section 72(t)(10)(B)(ii) of the internal revenue code)
- TSP monthly payments based on life expectancy
- Annuity payments
- Ordered by a domestic relations court
- Made because of death
- Made from a beneficiary participant account
- Received in a year you have deductible medical expenses that exceed 10% of your adjusted gross income (7.5% if you or your spouse is 65 or over)
- Received as a result of total and permanent disability*



* Participant must provide the justification to IRS when they file their taxes

IRS Publications 575, Pension and Annuity Income
IRS Publication 721, Tax Guide to U.S. Civil Service Benefits



Planning Your Legacy

TSP DEATH BENEFITS



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

See tsp.gov/lifeevents or the TSP booklet, Death Benefits, for more information



Payments to 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 beneficiary's age appropriate L 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



Payments to Spouse Beneficiaries

- 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



Payments to 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 professional or IRA provider should be contacted to discuss this option



The slide features a large circular seal in the center. The seal is silver with a blue border containing the text "FEDERAL RETIREMENT THRIFT INVESTMENT BOARD" and "1986". Inside the seal, there is a stylized eagle logo and the text "THRIFT SAVINGS PLAN". Above the seal, there is a horizontal orange bar and a light blue bar. In the top left corner, there is a small logo for the Thrift Savings Plan. Below the seal, the text "7 TSP Tips: 'What & Why'" is written in a large, bold, black font. Below the title, there is a list of seven tips, each followed by a "WHY" explanation in blue text.

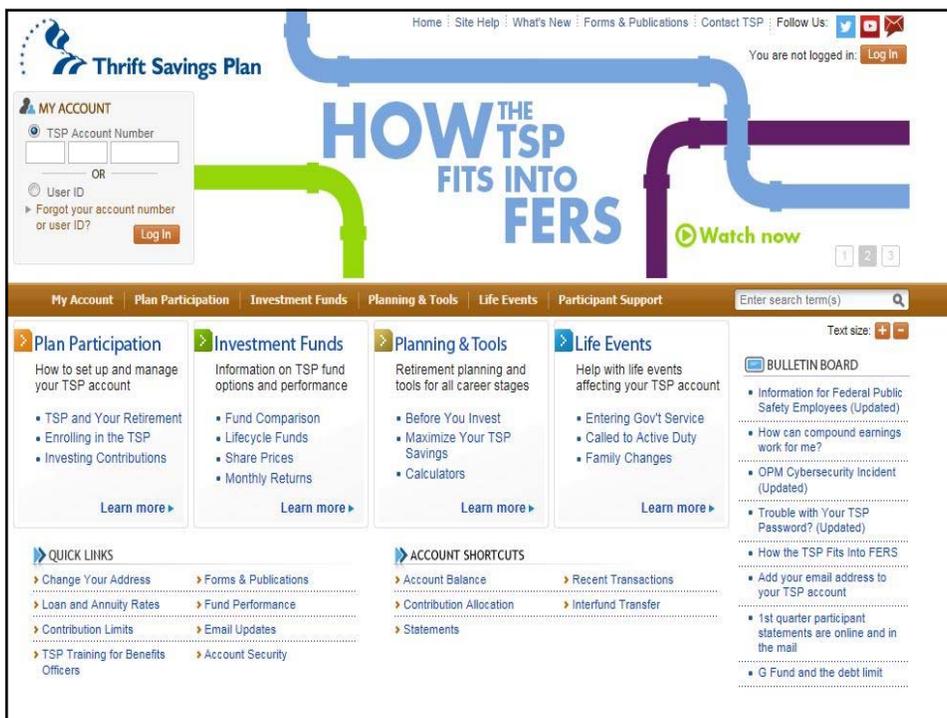
7 TSP Tips: "What & Why"

1. Contribute at least 5% of your salary.
WHY: Don't lose out on free money from the Agency match.
2. Transfer other retirement savings into the TSP.
WHY: Other plans can cost significantly more.
3. Think twice about taking a loan from your TSP account.
WHY: It may cost you hundreds (maybe thousands) of dollars in missed growth.
4. Use the calculators at tsp.gov to help define your retirement goal.
WHY: Planning your retirement is smarter than winging it.



7 TSP Tips: “What & Why”

5. Diversify your investment strategy or choose a TSP Lifecycle (L) Fund.
WHY: Varying your investments reduces risk.
6. Review your contributions and investment strategy regularly.
WHY: As life changes, so may your retirement goals.
7. Stay with the TSP after you separate.
WHY: TSP’s low costs are hard to beat!



The screenshot shows the Thrift Savings Plan website interface. At the top, there is a navigation bar with links for Home, Site Help, What's New, Forms & Publications, Contact TSP, and Follow Us. A user login status indicates 'You are not logged in' with a 'Log In' button. The main banner features the text 'HOW THE TSP FITS INTO FERS' with a 'Watch now' button. Below the banner is a navigation menu with categories: My Account, Plan Participation, Investment Funds, Planning & Tools, Life Events, and Participant Support. The main content area is divided into several sections: Plan Participation (with links like 'TSP and Your Retirement'), Investment Funds (with links like 'Fund Comparison'), Planning & Tools (with links like 'Before You Invest'), Life Events (with links like 'Entering Gov't Service'), and a Bulletin Board (with links like 'Information for Federal Public Safety Employees'). There are also sections for Quick Links and Account Shortcuts.

TSP Website (www.tsp.gov)

Thrift Savings Plan

My Account
Plan Participation
Investment Funds
Planning & Tools
Life Events
Participant Support

Access Your Account

MY ACCOUNT

TSP Account Number

OR

User ID

- View account balance
- View Annual & Quarterly Statements
- Change your contribution allocation
- Request inter-fund transfers
- Request loans and withdrawals
- Create (or change) a user ID
- Change or request a Web password

Contacting the TSP

TSP Website

www.tsp.gov

Log into your account
Learn the former page!

ThriftLine

1-TSP-YOU-FIRST®
(1-877-968-3778)

TSP4gov is the official
YouTube channel of the Thrift Savings Plan

[Learn more](#)

TSP IS NOW ON TWITTER!

FOLLOW US
@TSPAGOV

Secure Message Center: Civilian

The answers to many of your questions can be found right here in the Message Center. If you don't see your question in the list of frequently asked questions, you can search for the answer using our search tool below.

TSP Publications

The graphic displays a collection of TSP publications. On the left, there is a 'Fund Information' brochure (March 2016) and a 'Summary of the Thrift Savings Plan' (March 2016). In the center, there are 'Loans' (March 2016), 'In-Service Withdrawals' (March 2016), 'Court Orders and Powers of Attorney' (March 2016), and 'Withdrawing Your TSP Account After Leaving Federal Service' (March 2016). On the right, there is a 'Tax Notice' (March 2016), 'Managing Your Account' (March 2016), 'Your TSP Account: A Guide for Beneficiary Participants' (May 2014), and 'Death Benefits' (March 2016). A small table titled 'Important Tax Information About Payments From Your TSP Account' is also visible.

Plan*	TSP
1	\$5,000
2	\$10,000
3	\$15,000
4	\$20,000
5	\$25,000

Post-Training Survey

<http://tsptraining.questionpro.com>

