Thrift Savings Plan

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. The purpose of the TSP is to provide retirement income. Contributions and earnings to your TSP account are tax deferred until you withdraw the money. The TSP is administered by the Federal Retirement Thrift Investment Board, an independent government agency.

Eligibility

All permanent Federal employees are eligible to participate in the TSP. Your payroll contributions will begin the first full pay period after your effective date.

TSP benefits differ depending upon your retirement system (FERS or CSRS).

Participation rules are different for FERS and CSRS employees.

If you are a FERS employee:

- Upon hire, you are immediately eligible for agency contributions. There is no waiting period. Our agency will automatically contribute to your TSP and amount equal to one percent of your basic pay each pay period. These are your *Agency Automatic (1%) Contributions*. You will receive these contributions whether or not you contribute your own money to your TSP account.

- If you are contributing to your TSP account, our agency also makes *Agency Matching Contributions*. There is no waiting period. However, if you do not contribute your own money, you will not receive Agency Matching Contributions. Matching contributions apply to the first five percent of pay that you contribute each pay period.

- You can contribute any amount or percentage of your basic pay to TSP, however, your annual contribution cannot exceed the Internal Revenue Code limit for the year.

If you are a CSRS employee:

- You can contribute any amount or percentage of your basic pay to TSP, however, your annual total cannot exceed the Internal Revenue Code limit for the year.

- You do not receive any Agency Automatic (1%) or Matching Contributions.

All FERS and CSRS Employees:

You can contribute either a percentage of your basic pay each pay period or a fixed dollar amount. If you make your contributions as a percentage of your pay, the amount of your contributions will automatically increase as you receive pay raises.

Types of Investment Funds

The TSP has five investment options that you may choose from:

- Government Securities Investment (G) Fund
- Common Stock Index Investment (C) Fund
- Fixed Income Index Investment (F) Fund
- Small Capitalization Index Investment (S) Fund
- International Stock Index Investment (I) Fund
- Lifecycle Investment (L) Fund

Loans

While employed, the TSP loan program gives you access to money that you have contributed to your account. There are two types of TSP loans: General Purpose and Residential. You may borrow from your own contributions and the earnings. You may not borrow from Agency contributions or their earnings. The interest rate charged on your loan will be the G Fund Rate at the time you apply for the loan. Loans must be repaid through regular payroll deductions.

You are allowed one general purpose and one residential. There is a $50.00 administrative service fee for each loan.

The minimum amount you can borrow is $1,000. There is a 60-day waiting period after a loan (of the same type) is paid off before you can apply again.

TSP Publications/Fact Sheets

Contact the Human Resources Staff for more detailed information. Publications are available on the loan program, withdrawing your TSP account, TSP annuities, and investment options and opportunities. The Summary of the Thrift Savings Plan for Federal Employees Booklet is a good source of information. Good information is also available on the TSP web site. Fact Sheets showing current interest rates for each of the funds are also available.

Catch-Up Contributions

"Catch-up contributions" are supplemental tax-deferred employee contributions, which are in addition to regular contributions. These supplemental contributions can be made by participants age 50 or older who would like to make contributions above the maximum amount they could otherwise make to the TSP.

Who is eligible to make catch-up contributions?

To be eligible to make catch-up contributions, a participant must be:

- Contributing the maximum amount of TSP contributions which would cause you to reach the Internal Revenue Service (IRS) elective limit by the end of the year.

How do I make catch-up contributions?

Catch-up contributions can be made only through payroll deductions. This is because they are made before Federal, and in most cases state, taxes are deducted. To make catch-up contributions, you must submit Form TSP-1-C, Catch-Up Contributions Election or make the election at www.tsp.gov. You must have a Personal Identification Number (PIN).

When can I make a catch-up contribution election?

You can make your election at any time.

Can I stop my catch-up contributions at any time?

Yes, to stop making catch-up contributions, complete Form TSP-1-C (or TSP-U-1C for your uniformed services account) indicating that you want these contributions to stop. You may also go to the TSP website to stop the contributions. You can restart your contributions at any time.

For more information on Thrift Savings go to www.tsp.gov.