



# HIGHLIGHTS

January/February 2015

## Attention: Active Duty Army, Air Force, and Navy\*

Beginning January 1, 2015, a change in myPay required you to designate your Roth contributions as a **percentage** of your pay, not a dollar amount.

**If you did not designate your Roth contributions as a percentage of your pay by January 31, 2015, then the Defense Finance and Accounting Service (DFAS) was unable to process your Roth contributions. You must go to myPay to make the change.**

This change affects active duty Army, Air Force, and Navy\* participants making Roth contributions; traditional contributions are already designated as a percentage of pay.

## How To Make the Change

Log into myPay. Click on the TSP section called "Traditional TSP and Roth TSP." Then in the "Contribution from Roth TSP" section, enter the percentage of your pay that you'd like to contribute (for example, 10%). Finally, click "Save" at the bottom of the screen.

\* Includes Navy Reserve component who serve more than 30 days on active duty



## Review. Rethink. Remain.

Several studies show that more than half of U.S. adults consider making a New Year's resolution about their finances. Are you one of them? By now, many resolutions have already been forgotten. Let this be the year you keep your commitment to your retirement goals. To help, we suggest following the three **Rs**.

- **Review.** When you first join the Federal Government, you're swamped with paperwork about your benefits. It can be overwhelming. If you haven't taken a good look at your Thrift Savings Plan (TSP) retirement account recently, now is a good time to review.

If you were automatically enrolled in the TSP and haven't made any changes, then you're currently contributing 3% of your salary each pay period. Your civilian agency will match up to 5% of your pay, but you only get the full amount if you contribute at least 5% of your salary each pay period too. Bumping up your contributions to 5% or more can keep you from missing out on thousands of dollars in free money over time. To change how much you're saving, log into your agency's payroll system, not the TSP website. Payroll systems include Employee Express, myPay, EBIS, LiteBlue, and NFC EPP.

You might also be able to transfer your retirement plan from former employers into the TSP. Our low administrative costs keep more of your savings where they belong: in your account. To find out how to move your money and what we accept, watch the video, "Combine and Save: Transfer Into the TSP," at [youtube.com/tsp4gov](http://youtube.com/tsp4gov).

- **Rethink.** Throughout your Federal career, pay careful attention to how much you're saving. The "Will you be ready for retirement?" section of your statement estimates your monthly income based on your statement account balance. Is it less than you expected?

Don't worry: Small changes to your budget could make a big difference over time. Cutting back on takeout lunches or increasing your contribution amount with each pay raise could really pay off. To learn more, use our "How Much Will My Savings Grow?" calculator in the Planning & Tools section of [tsp.gov](http://tsp.gov). While you're there, our "Paycheck Estimator" calculator can show you how saving more might affect your pay.

Also consider the way your account is invested. How long do you have until retirement? How comfortable are you with risk? Asking yourself these questions can help you decide whether to make a change. For example, our Lifecycle (L) Funds might help diversify your account. Learn more about our funds by viewing the "TSP Investment Options" videos at [youtube.com/tsp4gov](http://youtube.com/tsp4gov).

TSP Website:  
[tsp.gov](http://tsp.gov)

ThriftLine: 1-TSP-YOU-FRST (1-877-968-3778)  
Outside the U.S. and Canada: 404-233-4400  
TDD: 1-TSP-THRIFT5 (1-877-847-4385)

YouTube: [TSP4gov](http://TSP4gov)  
Twitter: [@tsp4gov](http://@tsp4gov)

- **Remain.** There's no need to move your money when you leave Federal service. Other financial institutions might try to pull you away from the TSP. Their expensive funds and confusing choices can devour thousands of dollars from your savings and, as a result, postpone your retirement several years. Don't let that happen to you.

The TSP keeps things affordable and simple. Stay with the TSP and you can still enjoy our low administrative costs, the freedom to change your investment mix, and the ability to transfer eligible

money into your account. Even when it's time to start taking withdrawals, you won't have to take all of your savings at once. You can receive monthly payments while your account continues to grow. Rest assured knowing that your TSP account is there for you and your beneficiaries.

No matter what stage of life you're in—early career, mid-career, nearing retirement, or living in retirement—we want you to make the best choices for your future. 🌱

## Rates of Return and Administrative Expenses

	L 2050	L 2040	L 2030	L 2020	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
<b>Monthly 2014</b>										
Jan	-2.71%	-2.35%	-2.04%	-1.57%	-0.42%	0.21%	1.58%	-3.45%	-1.91%	-4.03%
Feb	4.44	3.94	3.44	2.73	1.15	0.18	0.62	4.58	5.43	5.58
Mar	0.09	0.12	0.14	0.17	0.19	0.19	-0.15	0.85	-0.69	-0.57
Apr	0.32	0.32	0.37	0.39	0.31	0.20	0.90	0.75	-2.47	1.51
May	1.78	1.63	1.46	1.20	0.64	0.20	1.21	2.35	1.52	1.72
June	1.96	1.77	1.52	1.19	0.58	0.19	0.14	2.07	4.45	0.99
July	-1.86	-1.63	-1.34	-0.97	-0.26	0.19	-0.19	-1.37	-4.38	-1.95
Aug	2.61	2.40	2.07	1.64	0.84	0.20	1.12	4.01	4.98	-0.14
Sept	-2.50	-2.18	-1.84	-1.36	-0.42	0.18	-0.58	-1.40	-5.10	-3.82
Oct	1.70	1.58	1.36	1.09	0.61	0.20	0.96	2.45	4.11	-0.63
Nov	1.55	1.42	1.27	1.04	0.55	0.17	0.74	2.70	1.33	0.51
Dec	-0.94	-0.76	-0.67	-0.50	-0.04	0.18	0.21	-0.24	0.99	-4.13
<b>Annual 2005–2014</b>										
2005	-	-	-	-	-	4.49%	2.40%	4.96%	10.45%	13.63%
2006	-	16.53	15.00	13.72	7.59	4.93	4.40	15.79	15.30	26.32
2007	-	7.36	7.14	6.87	5.56	4.87	7.09	5.54	5.49	11.43
2008	-	-31.53	-27.50	-22.77	-5.09	3.75	5.45	-36.99	-38.32	-42.43
2009	-	25.19	22.48	19.14	8.57	2.97	5.99	26.68	34.85	30.04
2010	-	13.89	12.48	10.59	5.74	2.81	6.71	15.06	29.06	7.94
2011	-	-0.96	-0.31	0.41	2.23	2.45	7.89	2.11	-3.38	-11.81
2012	15.85	14.27	12.61	10.42	4.77	1.47	4.29	16.07	18.57	18.62
2013	26.20	23.23	20.16	16.03	6.97	1.89	-1.68	32.45	38.35	22.13
2014	6.37	6.22	5.74	5.06	3.77	2.31	6.73	13.78	7.80	-5.27
<b>2013<sup>1</sup> Administrative Expenses</b>										
Gross	.047%	.046%	.046%	.045%	.045%	.044%	.056%	.046%	.044%	.046%
Net <sup>2</sup>	.029%	.029%	.029%	.028%	.028%	.027%	.039%	.029%	.026%	.029%

The returns for the TSP funds represent net earnings after the deduction of administrative expenses and, in the cases of the F, C, S, I, and L Funds, after deduction of trading costs and investment management fees. Additional information about the TSP funds, the related indexes, and their respective 1-, 3-, 5-, and 10-year returns can be found in the TSP Fund Information sheets on the TSP website.

With the exception of L 2050, the Lifecycle funds, which are invested in the individual TSP funds—G, F, C, S, and I<sup>3</sup>—were implemented on August 1, 2005. Therefore, their first annual returns are for 2006. Since L 2050 was implemented on January 31, 2011, its first annual returns are for 2012.

<sup>1</sup> The 2014 administrative expenses will be available in the April 2015 issue of *Highlights*.

<sup>2</sup> Net administrative expenses are the expenses charged to TSP participants per dollar invested in the respective funds after offsetting gross administrative expenses with account forfeitures and loan fees.

<sup>3</sup> The Government Securities Investment (G) Fund; the Fixed Income Index Investment (F) Fund; the Common Stock Index Investment (C) Fund; the Small Capitalization Stock Index (S) Fund; and the International Stock Index Investment (I) Fund.