THRIFT SAVINGS PLAN
YOUR PLAN ★ YOUR FUTURE

Highlights

April 2015

Separation Anxiety?

Don't sweat it! Your TSP account doesn't expire when you separate from Federal service. You can still benefit from the TSP's low costs, change your investment mix, and transfer eligible retirement plans into the TSP.

Don't Get Blindsided

If you're thinking about moving the money in your TSP account to another provider, think twice. You're almost certain to pay lower fees with the TSP. Visit tsp.gov/keepingscore for a list of questions to ask. Then compare the answers to the TSP. We think that when you see the final tally, you'll decide that other plans just can't compete.

Passwords 2.0

Resetting the password to your TSP account is simple and more secure than ever. Just call us at 1-877-968-3778, choose option 3 to speak to a Participant Service Representative, and request that your password be reset.

Saving at Different Stages

Whether you're new to the government, a seasoned professional, or thinking of retiring soon, now is the best time to save for your future with the TSP. Not convinced? Consider these examples.

Just Getting Started? If you're in your 20s or early 30s, you might have financial concerns like student loans, rent, or other obligations, but don't let them keep you from saving for your future. If you're covered by the Federal Employees Retirement System (FERS), your agency will contribute up to 5% of your pay to your TSP account with each paycheck. But you only get the full amount if you contribute at least 5% too. The key is to start saving now, and keep saving consistently.

Take Fred. Fred is a 30-year-old FERS participant who isn't contributing to his TSP account. If he begins contributing 5% of his salary now, he could have just over **$365,000** by age 65.* If he waits until age 40 to start saving 5%, he'd have about $180,000 by age 65.* If he waits until his late 40s, he'd only have around $90,000 by age 65.* You can learn more about Fred, his savings journey, and how saving at a younger age can contribute to a more comfortable retirement at tsp.gov/takeFIVE.

Ready for a Change?

To change your contributions, sign into your agency or service's electronic payroll system, such as **Employee Express, LiteBlue, EBIS, myPay, or NFC PPS**. You can also complete Form **TSP-1** or Form **TSP-U-1** (available at tsp.gov) and submit it to your agency or service.

Middle of the Road? If you're mid-career, you might wish that you'd saved more when you were younger. You may also have more expenses because of a mortgage, tuition, or other responsibilities. But when it comes to retirement saving, every dollar makes a difference.

Meet Susan. Susan is a 40-year-old member of the uniformed services. When she turned 40, she started to think seriously about her retirement. That same year she got a promotion and a $10,000 increase in pay. She decided that was the right time to increase her TSP contributions from 7% to 15%. After 15 years of contributing 15% of her salary, she could have just over **$365,000** in her TSP account.** If she kept contributing 7%, she'd have

* Includes matching contributions and assumes a $31,000 salary and 6% annual rate of return compounded monthly. The third scenario assumes age 48.

** Assumes an initial account balance of $60,000, a $50,000 initial salary, and a 6% annual rate of return compounded monthly. This calculation does not include matching.

around $249,000.** That's a difference of $116,000 in retirement income.

Playing Catch-Up? You still have the potential for growth in your TSP account even if you're nearing retirement age. If you'll turn 50 or older in 2015, you're eligible to make an additional **$6,000** in catch-up contributions this year, beyond the IRS elective deferral limit of $18,000. Just complete Form TSP-1-C or Form TSP-U-1-C (available at tsp.gov) and submit it to your agency or service. You might also be able to complete the form through your electronic payroll system.

Consider Tim. When Tim turned 55, his kids were out of college, and his expenses had decreased. So he started contributing the maximum he could to his TSP account, plus the maximum allowed for catch-up contributions. By 65, the extra money had grown to almost **$510,000**—a huge increase from the $100,000 he had when he started upping his contributions.*** So while saving early is ideal, there's still potential for growth towards the end of your career.

Whether you identify with Fred, Susan, or Tim, you always have the potential to benefit from investing with the TSP.

*** Assumes an initial account balance of $100,000, a $2,000 monthly contribution, and a 6% annual rate of return compounded monthly. This calculation does not include matching.

Rates of Return and Expenses

	L 2050	L 2040	L 2030	L 2020	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
Monthly 2015										
Jan	– 1.18%	– 1.02%	– 0.83%	– 0.58%	– 0.08%	0.18%	2.13%	– 2.99%	– 1.85%	1.19%
Feb	4.99	4.39	3.80	2.95	1.19	0.13	– 0.91	5.75	6.05	5.97
Annual 2005 – 2014										
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
2014 Administrative Expenses										
Gross	.042%	.042%	.042%	.042%	.042%	.042%	.042%	.042%	.042%	.042%
Net[1]	.029%	.029%	.029%	.029%	.029%	.029%	.029%	.028%	.029%	.029%
Other Expenses[2]										
	.010%	.009%	.008%	.006%	.003%	.000%	.017%	.003%	.020%	.017%

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[3]—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.

[1] 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.

[2] Fees associated with securities lending are not included in 2014 administrative expenses. Consistent with standard practice in the industry, they are charged in addition to administrative expenses. The other expenses represent fees paid to the investment manager for administering securities lending programs. Income earned from these programs improved the returns of the funds.

[3] 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.

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