

Does Your TSP Need a CHECKUP?

During this time of year, when you start to review your health, dental, and vision insurance coverage, don't forget about the TSP. Now's the perfect time of year to examine your TSP account to ensure you're on track to meet your retirement goals. Here are some questions you should ask yourself:

Am I contributing enough?

Increasing your contributions a little each year can move you closer to your retirement goals. Surprisingly, many people never change the contribution amounts from when they first started. If your pay has increased over the years but your contributions remain the same, your retirement account could be suffering. Even small increases can help. For example, investing the \$3.50 you'd spend on specialty coffee each day could mean an extra \$100,000 in retirement savings after 30 years.* Also, if you were automatically enrolled, consider increasing your contributions to at least 5% of your salary so that you don't miss out on free matching money from your agency.

Just sign into your agency's payroll system (for example: Employee Express, EBIS, myPay, LiteBlue, or NFC EPP) and choose the Thrift Savings Plan option.

* Assumes a 6% annual rate of return compounded monthly and does not include matching contributions.



Am I taking enough risk? As you review your account, consider your tolerance for risk and how involved you want to be in managing your investments. If you find managing your investments intimidating, consider our Lifecycle (L) Funds (L 2050, L 2040, L 2030, L 2020, and L Income). For example, our experts designed L 2030 for people who were born between 1963 and 1972 and will need their money around the year 2030. The L Funds provide an optimal mix of risk versus reward based on when you'll need your money. The reward for taking on more risk is the potential for a greater investment return. Playing it *too* safe may be risky.

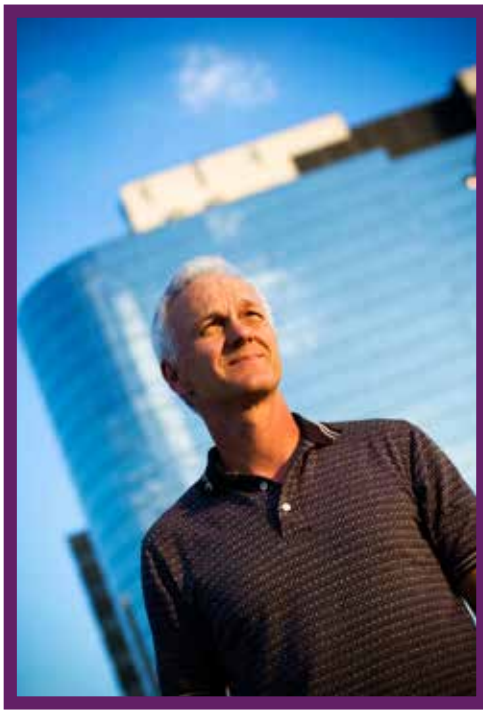
To change your investments, log into the My Account section of tsp.gov and choose "Contribution Allocations" or "Interfund Transfers" on the left.

Already Left Federal Service?

Even if you're no longer employed by the Federal Government or uniformed services, your TSP account could use a checkup. Want to update your investment mix? Our interfund transfers make it easy (see previous section). Do you have other retirement accounts? Consider transferring eligible money into your TSP account. All the while, you can enjoy our low expenses compared to similar plans. Visit tsp.gov to learn more.

Notice Something Different?

We've updated *Highlights* with a brighter look and more accessible design. This refresh is a small part of our commitment to enhancing your overall TSP experience.



Is Roth right for me? The answer depends on whether you think you'll be better off paying taxes on the money now or later. With Roth, you pay taxes on your

contributions up front, so when it's time, you get to take out your contributions and earnings tax free if certain conditions are met.** In general, if you expect your tax rate in retirement to be higher than your current rate, the more likely you are to benefit from Roth.

Watch our informational video, "Is Roth TSP Right for Me?" at youtube.com/tsp4gov to learn more.

Is my contact information current? You may now add up to two email addresses and one phone number to your TSP account profile by visiting tsp.gov and logging into My Account. If you do, we'll send confirmation notices for certain online transactions and other communications about your TSP account to the inbox of your choice. Also, be sure to keep your mailing address updated so that you can receive your TSP statements and other correspondence.

** Roth earnings are tax-free when you reach age 59½ or have a permanent disability **and** five years have passed since the year of your first Roth contribution.

If you're currently employed by the Federal Government, make any updates with your agency or service. If you've left Federal service, log into My Account to change your address under "Profile Settings."

Just like with healthcare, planning for retirement is serious business—it's not a one-time deal where you set it and forget it. Periodically reviewing your TSP account can potentially mean the difference between a comfortable retirement and a difficult one.

What Else Should I Consider?

- ◆ Examine your statements
- ◆ Reevaluate your savings goals
- ◆ Transfer other plans into the TSP
- ◆ Set a date to revisit your plan

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
Rates of Return										
Year-to-Date	- 0.89%	- 0.61%	- 0.31%	0.13%	0.83%	1.33%	0.68%	- 2.84%	- 1.24%	0.73%
1-Year	- 1.14	- 0.60	- 0.21	0.37	1.54	2.07	2.01	0.55	- 0.15	- 7.23
3-Year	11.70	10.67	9.52	7.95	4.29	1.99	1.98	14.37	15.82	8.83
5-Year	-	11.44	10.25	8.64	4.60	2.04	3.29	15.92	16.79	7.38
2014 Administrative Expenses										
Gross	.042%	.042%	.042%	.042%	.042%	.042%	.042%	.042%	.042%	.042%
Net¹	.029%	.029%	.029%	.029%	.029%	.029%	.029%	.028%	.029%	.029%
Other Expenses²										
	.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 as of August 31, 2015. Additional information about the TSP funds; their related indexes; and their respective monthly, annual, and 10-year returns can be found in the TSP Fund Information sheets or by visiting "Fund Performance" at tsp.gov.

With the exception of L 2050, the Lifecycle funds, which are invested in the individual TSP funds—G, F, C, S, and I³—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 contains Government securities; the Fixed Income Index Investment (F) Fund contains Government, corporate, and asset-backed bonds; the Common Stock Index Investment (C) Fund contains stocks of large and medium-sized U.S. companies; the Small Capitalization Stock Index Investment (S) Fund contains stocks of small to medium-sized U.S. companies; and the International Stock Index Investment (I) Fund contains stocks from more than 20 developed countries.