

**What's
Stopping
You?**



**A
brighter
future
is
ahead.**

Get more free money.

You're in! Your agency has opened a Thrift Savings Plan (TSP) account for you and is depositing an amount equal to 1% of your pay each pay period. **But you're entitled to an additional 4%** — a lot of free money to leave unclaimed. All you have to do is save. Your agency will match dollar for dollar the first 3% you contribute, and 50¢ on the dollar for the next 2%. That means that when you save 5% of your pay, 10% goes into your TSP account. That's hard to beat.

But don't stop reading if you can't afford to save 5% of your pay each pay period. You can contribute less — as little as \$1 — and still get free money. Your \$1 in savings means \$2 in your account.

There is even a significant tax benefit.

The money you put in your TSP account is deducted from your pay before income taxes are calculated. That reduces the amount of your taxable pay and your overall tax bill. The taxes you don't pay now help to finance your TSP savings:

If your biweekly salary = \$1,462

Your 5% contributions = \$73

Your paycheck is reduced by only \$61*

* This example is based on a TSP participant making \$38,000 a year, married filing jointly, with 2 dependents in 2008. It does not take state taxes into account, which vary widely. Your benefit will depend on your personal tax situation and the state in which you live. In general, the higher your taxes, the greater the benefit, and the more money you'll have in your paycheck after your TSP savings come out. (You pay no taxes on your TSP contributions and their earnings until you withdraw them.)

Why wait?

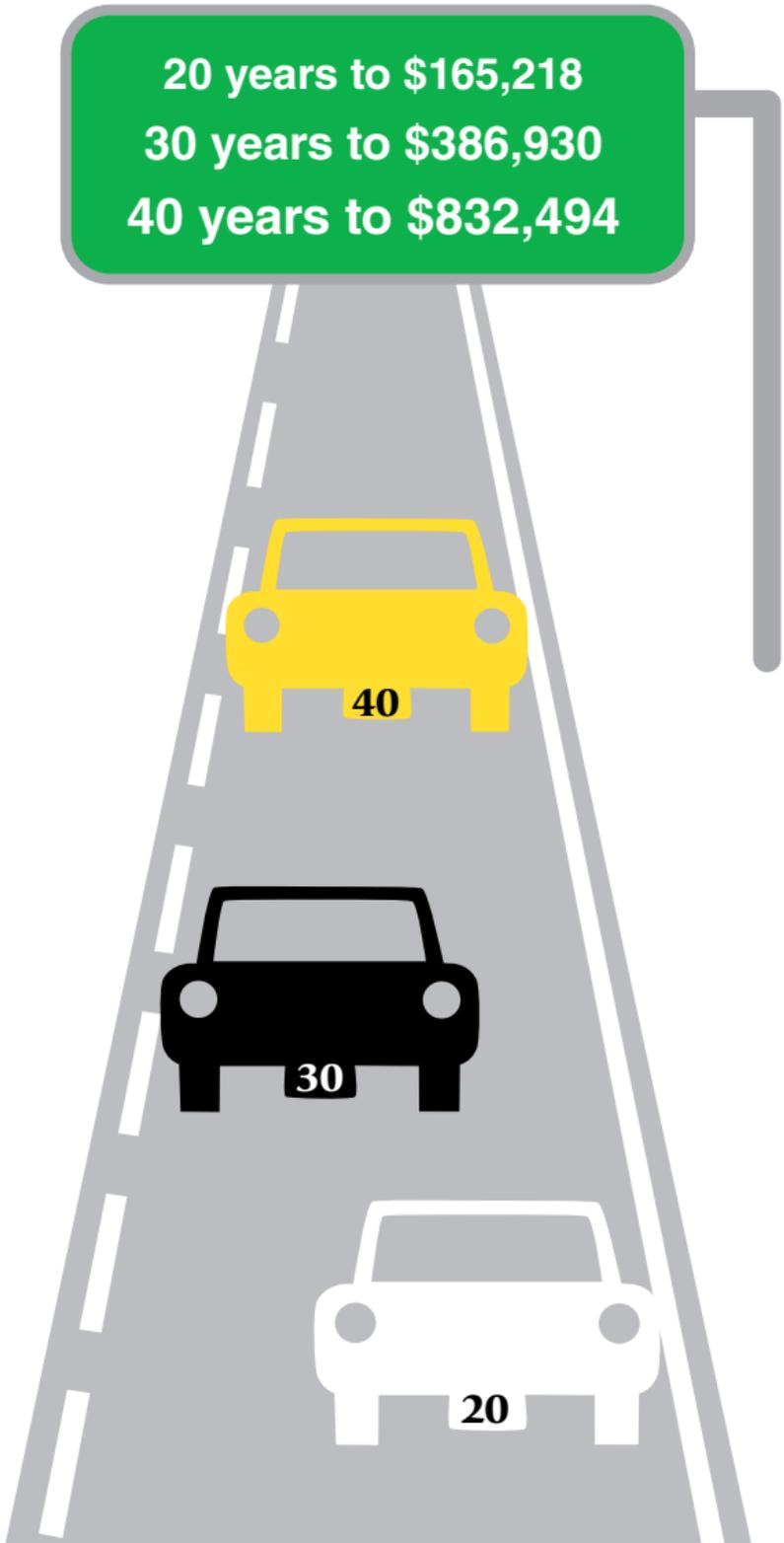
Time is your biggest ally.

It's simple. The longer you save, the more dramatically your account will grow. Look at the savings potential of 3 FERS employees earning \$38,000 a year and contributing 5% to the TSP (assuming a 7% annual rate of return, compounded monthly):

20 years to \$165,218

30 years to \$386,930

40 years to \$832,494



The TSP is important to your retirement.

Your TSP account could mean the difference between a comfortable retirement and a difficult retirement. As a FERS employee, your retirement benefit consists of the FERS Basic Annuity, Social Security, and the TSP. Your TSP account is the part that you control. You contribute as much as you wish (up to the IRS limit) and you decide how to invest it.

The TSP is a simple plan that you customize to your needs.

You can invest your savings in a mixture of stocks, bonds, and U.S. Treasury securities, deciding what is the appropriate level of risk for you — from high risk to no risk at all. The TSP even makes it simpler with the L Funds, which offer a mix of investments tailored to the year you'll need your money in retirement. If you're not ready to make an investment decision, you can keep your money in the G Fund — secure, but usually with better returns than any savings or money market account around.

Get smart. Get saving.

To start your TSP savings, ask your personnel office for Form TSP-1, download the form from the TSP website, or use your agency's electronic version of the form.

For more information, go to:

www.tsp.gov

or call

1-877-968-3778

