



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

February 12, 2008

MEMORANDUM TO TSP COORDINATORS

FROM: Pamela-Jeanne Moran 
Director, Office of Participant Services

SUBJECT: The New Annual Participants Statements and Roth
IRA Transfer Option

If you have not seen the announcements under Info for TSP Representatives at the TSP Homepage (www.tsp.gov), we are pleased to inform you of two new services for TSP participants - the TSP Annual Participant Statement and the Roth IRA Transfer Option for participants eligible for age-based in-service withdrawals or post-separation withdrawals.

Annual Participant Statements

The mailing of the new annual participant statements has begun; we expect that it will continue through the end of February since we are sending 4.1 million statements. As announced in the October 2007 and January/February 2008 *Highlights*, the statements will provide participants with their account number, a summary of the 2007 activity in their TSP accounts as well as a number of new features including their personal investment performance (i.e., rate of return), the amount of their lifetime employee contributions, and their primary beneficiaries of record. A copy of the leaflet "How To Read Your Annual Participant Statement," will be enclosed with the mailing to assist participants in understanding the new statements. (You can get an advance copy by going to the Web section entitled "Announcements.") Also, a set of Questions and Answers will be posted on the TSP homepage this week to supplement the leaflet.

Because this is a new service, we anticipate a lot of interest in the statements - particularly from participants who may not have been keeping up with their online quarterly statements. We also expect that you will get questions from

participants who want to update their beneficiary information. Please remind your participants that the Designation of Beneficiary forms (TSP-3 and TSP-U-3 for uniformed services accounts) must be sent directly to the TSP; **they should not be given to the agency personnel or finance offices.** The latest versions of the Designation of Beneficiary forms (civilian and uniformed services) are available in Forms and Publications on the TSP Web site.

You may also get questions from participants who are concerned about their investment choices. Remember, the TSP does not provide investment advice (and neither should you). However, for those participants who ask, you should suggest that they review the material about the L (Lifecycle) Funds that are offered by the TSP. These professionally-designed funds allow participants to easily invest based on their individual time horizon (i.e., when they will need the funds from their TSP accounts after they leave Federal or uniformed service). The L Fund link is available from the www.tsp.gov homepage.

The annual mailing will also include a letter from the Executive Director reviewing last year's TSP activities and discussing upcoming events as well as a copy of the January/February 2008 *Highlights*.

Later this year, participants will be able to opt out of the annual statement mailing if they only want to view their annual statements online. However, they will continue to receive the annual mailing (the letter from the Executive Director and the *Highlights*). This ensures that we keep in touch with all participants at least once a year.

Roth IRA Transfers

The new option permitting eligible participants to transfer their TSP accounts to a Roth IRA, as well as to a traditional IRA or other eligible employer plan (like a 401(k) plan) is now available. We have posted a set of Questions and Answers from the TSP homepage describing the new Roth IRA transfer, its eligibility requirements, and other information about the option. Updated versions of the forms, tax notices, etc., incorporating the Roth IRA transfer option are available in Forms and Publications and we will ship them as we fill agency and service requests for materials. Remember, this option is for transfers out of the TSP. **Participants cannot transfer Roth IRA funds into the TSP.**

If you have downloaded TSP forms or publications and posted them on your web site, please make sure that you have the *latest* versions. We encourage you to provide a link directly to the TSP Web site to ensure that your participants always have access to the most up-to-date information.

Announcements for TSP Representatives

If you have not already signed up for the e-mail notification of changes to the "What's New" section of the TSP Web site, we encourage you to do so. This will help keep you up to date with the latest information about the TSP. Within the next few months, we are also going to provide a separate notification from the "Announcements" section of the Info for Agency Representatives.

Questions concerning this memorandum should be directed to the Federal Retirement Thrift Investment Board at 202-942-1460.