



Thrift Savings Plan
P.O. Box 385021
Birmingham, AL 35238

February 2010

Dear TSP Participant:

When I wrote to you at the beginning of last year, Americans were deeply concerned about the state of the economy, and many Thrift Savings Plan participants were seeing significant losses in their accounts. Fortunately, the past year in the stock and bond markets has been less volatile, and all of the TSP funds have shown substantial gains.

Your Thrift Savings Plan has more good news to report. As a result of Public Law 111-31, signed into law by the President in June, your spouse beneficiary, in the event of your death, may now leave his or her share of your account in the plan. A TSP account will be established in your spouse's name and your spouse can manage it for life, or withdraw it at any time by any of the withdrawal methods available to separated TSP participants. This benefit will be fully implemented later in 2010. The law also provided for a Roth feature in the TSP, which will offer tax-advantaged benefits similar, but not identical, to a Roth IRA. We plan to introduce this feature in late 2011.

I am also happy to report that the test site for the new TSP website was launched in December. TSP participants who logged in to access their accounts were randomly chosen to view the test site and to complete a brief survey. Those of you who visited the site were very positive overall about the design, navigation, and organization of the material and the new "My Account" features. You can be sure that we are paying close attention to your comments and recommendations as we finalize the new and improved website for its debut later this year.

We are also going to devote special attention to our population of approximately 375,000 noncontributing FERS participants. We want participants in this group to understand how important the TSP is to their retirement security and that they are passing up free agency matching money every pay period they don't contribute to their TSP accounts — a very considerable loss to their long-term retirement income. If you have a coworker or friend in this group who is not contributing to the TSP, take a moment to offer a few words of encouragement; you will be thanked for your efforts in years to come.

Finally, on December 1, 2009, our investment manager, Barclays Global Investors, merged with BlackRock Institutional Trust Company. Consequently, BlackRock will be the asset manager for the F, C, S, and I Funds. This merger will not affect your investments in these funds. Further, none of the indexes that the TSP funds are tracking, including the F Fund's Barclays Capital U.S. Aggregate Bond Index, will change.

This year will be a busy one for the TSP and we are looking forward to the innovations and new benefits it will bring to you.

Sincerely,

Gregory T. Long
Executive Director

Enclosures