

Thrift Savings Plan

TSP Contributions:

Take Control of Your Future

Presented by:

Federal Retirement Thrift

Investment Board

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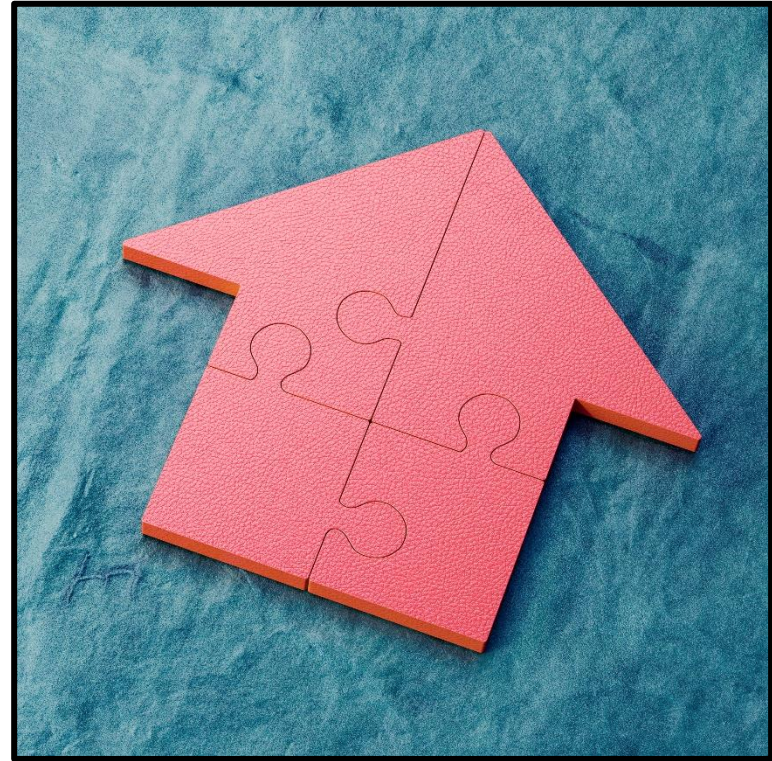


Why is This Important?

Your TSP Contribution Defined

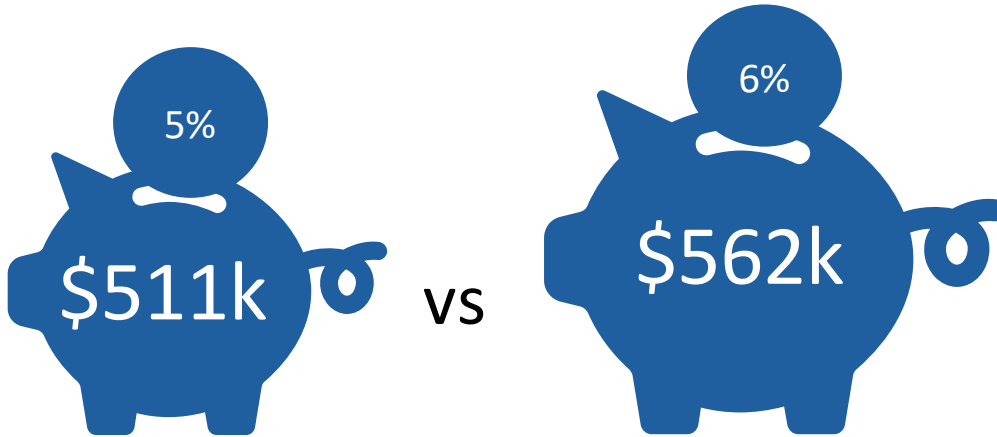
Your TSP Contribution

- a deduction from your pay by your agency or service, which will be invested in your TSP as you save for retirement.



You are saving for the future

A 1% increase could make a real difference



A FERS participant

Annual pay:	\$45k
Years of contributions:	30 yrs
Expected salary increase:	3%
Expected annual return:	6%

Go to tsp.gov/calculators to see what impact a change could have on your account!

View Your Account Balance on tsp.gov

Account Information

- Account Balance**
- Recent Transactions
- Activity Summary
- Statements and Documentation
- Correspondence from the TSP
- Message Center

Account Balance: [REDACTED]

Your account balance below is based on share prices as of close of business [REDACTED]

Account balance information is updated by 6 a.m., Eastern time, each business day. On occasion, heavy volume during the nightly processing cycle may delay the update by a few hours.

Account balance as of:

[Generate an account balance or verification letter](#)

- Account Balance by Fund**
- Account Balance by Contribution
- Contribution Summary

Your contribution will be deposited and invested in your TSP.

Learning Objectives

- Determine if your contribution election is right for you
- Understand how to receive the full match if eligible
- Recognize the impact of reaching the contribution limits early
- Determine when you'd like to pay taxes on your TSP contributions
- Locate resources to learn more about the TSP

**Have you looked at
your TSP
contribution
election recently?**



Your contribution election is based on either



Automatic Enrollment (5% for new participants)



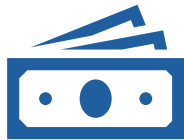
Your Payroll System Entry



Paper Form (TSP-1/TSP-U-1)

To change your contribution amount

Use your payroll system or form TSP-1/TSP-U-1 to select:



\$ or % per pay period

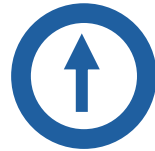
Contributions continue unless you



Make a new election
to change the amount



Choose to stop your
contributions



Reach the IRS
contribution limit

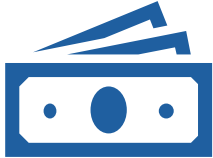
Don't miss out on Agency/Service contributions

FERS, FSPS, and BRS Participants Only

Your Contribution	+	Agency/Service Automatic (1%) Contribution	+	Agency/Service Matching Contribution	=	Total Contribution
0%		1%		0%		1%
1%		1%		1%		3%
2%		1%		2%		5%
3%		1%		3%		7%
4%		1%		3.5%		8.5%
5%		1%		4%		10%
More than 5%		1%		4%		Your contribution + 5%

Agency/Service contribution considerations

FERS, FSPS, and BRS Participants Only

Your Contribution	+ Agency/Service Automatic (1%) Contribution	+ Agency/Service Matching Contribution	= Total Contribution
Traditional and/or Roth	Always traditional	Always traditional	
No vesting requirement	Requires vesting	No vesting requirement	
	FERS receive immediately BRS after 60 days of service	FERS eligible immediately BRS eligible after 2 years	

Receiving the Full Agency or Service Contributions

You will receive the full Agency or Service Matching contribution for **each pay period** you contribute 5% (or more) of your basic pay.

**What does this mean
for me?**

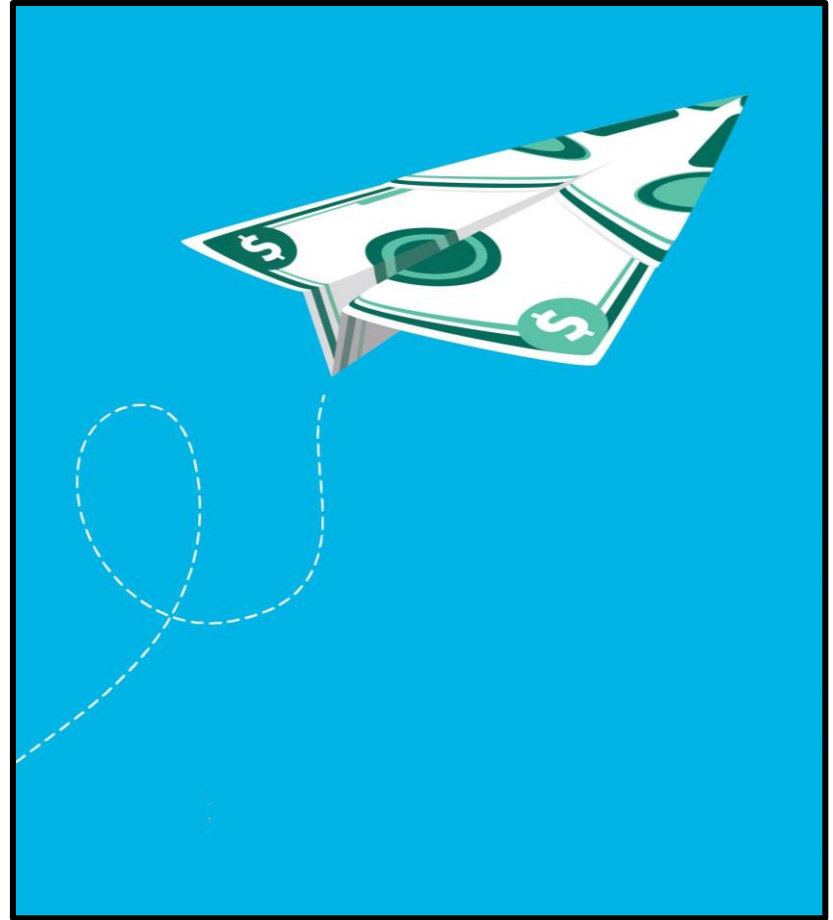
Receiving the Full Agency or Service Contributions

You will receive the full Agency or Service Matching contribution for **each pay period** you contribute 5% (or more) of your basic pay.

What does this mean for me?

If you hit your annual limit early  or stop contributing  for any reason, you will not receive matching contributions for those pay periods.

**What is the max
you can
contribute to the
TSP?**



Annual Elective Deferral Limit

\$19,500

IRS Annual
Elective Deferral

✓ All Ages

- This is the **total of your traditional and Roth** contributions.
- This does not include Agency/Service contributions.

Catch-up Limit

\$6,500

IRS Catch-up limit

✓ Age 50 and over

- Beginning in the year you turn 50, you **may** make additional contributions above the Annual Elective Deferral limit.
- Once you exceed the elective deferral, your contributions **automatically** start counting toward the catch-up limit.
- These contributions will qualify for the match up to 5% of your salary.

Annual Addition Limit

\$58,000

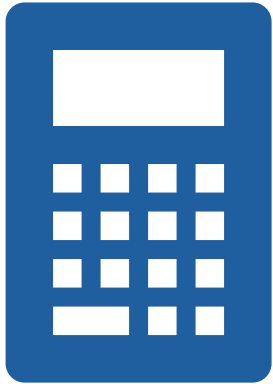
IRS Annual Addition
limit

✓ All Ages

The **total amount of all contributions made in a calendar year.**

- Can impact members of the Uniformed Services receiving tax-exempt pay.
- Does not include catch-up contributions.
- Catch-up contributions are no longer matched if you hit the Annual Addition Limit.

Looking to contribute up to your maximum limit this year?



Use the “[How much can I contribute](#)” calculator to determine your maximum contribution amount to not exceed your limit before the end of the year.

Be prepared with

- Your most recent Leave and Earnings statement or payslip.
- The number of salary payments you have left for the year.

What will you decide?



For FERS/BRS participants, contributing 5% or more will get you the full match.

Remember:

- The more you contribute, the greater your TSP balance will be at retirement.
- If you hit your annual limit or stop contributing for any reason, you will no longer receive matching contributions for those pay periods.
- Use your payroll system or form TSP-1/TSP-U-1 to make contribution changes.

Roth vs. Traditional: Which choice is best for you?



Do you need the tax benefit *now* or *later*?

Traditional Contributions

...are made before taxes are taken out, which means you'll pay taxes when you withdraw your money.

Roth Contributions

...are when you pay taxes up front, so during retirement, you'll receive qualified Roth distributions tax-free.

It's your choice.



Qualified Roth Earnings

Roth earnings become qualified (tax-free) *if*:

5 years  have passed since January 1 of the year you made your first Roth contribution,

And

You have reached age 59½, have a permanent disability, or are deceased.

Qualified Roth Earnings Cont.

- Prior participation in a Roth 401(k) transferred into TSP counts toward the 5 years.
- Nonqualified earnings are tax deferred and subject to IRS 10% early withdrawal tax unless participant meets an exception.
- The Roth TSP is not a Roth IRA.



To change your contribution type

Use your payroll system or form TSP-1/TSP-U-1 to select:



Traditional and/or Roth

Note: Your contributions are automatically traditional unless you choose Roth.

What will you decide?

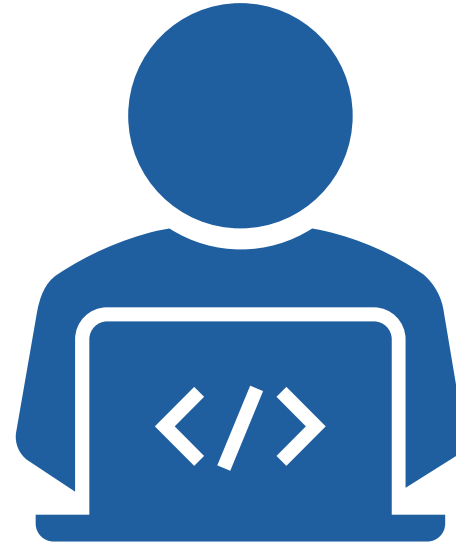


You choose whether to make Roth or traditional contributions.

Remember:

- This is a tax decision that you get to make.
- The Roth TSP is NOT a Roth IRA.
- Agency/Service contributions are always traditional, even if you are making Roth contributions.
- Use your payroll system or form TSP-1/TSP-U-1 to make a change.

What if you want to know more?




TSP Contribution Resources



[Managing Your Account for Civilian Federal Employees](#) 


Booklet



[Contributions Toward the Catch-Up Limit](#) 


Fact Sheet



[Managing Your Account for Members of the Uniformed Services](#) 

Booklet



[Summary of the Thrift Savings Plan](#) 

Booklet

<https://www.tsp.gov/forms/>

Post-Training Survey

Thank you for taking the time to complete this short survey about your recent TSP training event. Your participation in this survey is voluntary but keep in mind the FRTIB (TSP) Education and Outreach Division uses these to improve the learning experience for TSP Participants, Beneficiaries, Agency and Service Representatives. Please consider your answers carefully. This survey will be used to improve our services and provide you with information that is timely, relevant, and informative.



<https://www.surveymonkey.com/r/8NTPNSH>