

Should I Catch Up My Contributions?

If you're an active participant of a certain age, then consider this unique opportunity to boost your TSP savings with "catch-up contributions."

What are catch-up contributions?

Catch-up contributions allow you to save more in your TSP account than the maximum amount allowed by the IRS through regular contributions. **You can make your first catch-up contribution starting in January of the year you turn 50.** Your catch-up contributions come from basic pay through payroll deductions and you can designate them as traditional (pre-tax) and/or Roth (after-tax).

Who is eligible to make catch-up contributions?

In addition to meeting the age requirement, you must be

- an active federal employee and in pay status; and
- making regular contributions to a civilian or uniformed services TSP account (or both), and/or an equivalent employer plan that

will equal the **Internal Revenue Code (IRC) 2018 maximum elective deferral limit of \$18,500.*** You must be on track to reach the full elective deferral limit by the end of the year while you're simultaneously making catch-up contributions. **You must make a separate election for catch-up contributions.**

How much can I contribute to the TSP?

Once you have determined you are eligible, you can make catch-up contributions up to the **IRC catch-up contribution limit of \$6,000 for 2018.***

Because catch-up contributions are in addition to your regular contributions, they do not count against the IRC elective deferral limit or the total **IRC annual addition limit** for the year.**

Will I receive any matching contributions on my catch-up contributions?

No. There are no matching contributions on catch-up contributions.



When can I make a catch-up contribution?

Once you become eligible, you can make your election at any time. It will become effective the first full pay period after your agency or service receives it. **The election will only be valid through the end of the calendar year in which it is made. This means that you will have to make a new catch-up contribution election each year.**

Do special rules or conditions apply to uniformed services participants?

Yes, there are some special rules:

- You cannot use incentive or special pay (including bonus pay) to make catch-up contributions.
- If you are receiving tax-exempt pay while serving in a combat zone, your traditional (pre-tax) catch-up contributions will stop. **Only Roth catch-up contributions are allowed from tax-exempt pay.**

* The maximum IRC limits are subject to change every year.

** Correction: In the printed version of this issue, we incorrectly stated that the amount of catch-up contributions added to the amount of your regular and employer contributions cannot exceed the total IRC annual addition limit for the year.

- If you have both civilian and uniformed services accounts and are contributing the maximum amount of regular contributions, you can also make catch-up contributions to both accounts. The total in catch-up contributions for the two accounts must not exceed the catch-up contribution limit for the year. If you exceed the maximum limit for catch-up contributions, the TSP will refund the excess amount, plus earnings, from your uniformed services account first, no later than April 15 of the following year.

How do I get started?

1. Read the *Catch-Up Contributions* fact sheet on tsp.gov and watch the *Catch-Up Contributions* video on youtube.com/tsp4gov to learn more.
2. Make catch-up contributions using your agency's or service's payroll system. If that option isn't available to you, complete and submit Form TSP-1-C, *Catch-Up Contribution Election*, or TSP-U-1-C if you are a member of the uniformed services.

3. For more information, call the ThriftLine at 1-877-968-3778 and press option 3 to speak to a Participant Service Representative.

TSP Website: tsp.gov
 ThriftLine: 1-877-968-3778
 Outside the U.S. and Canada: 404-233-4400
 TDD: 1-877-847-4385
 Facebook: fb.com/tsp4gov
 Twitter: [@tsp4gov](https://twitter.com/tsp4gov)
 YouTube: youtube.com/tsp4gov

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 as of July 31, 2018										
Year-to-Date	4.06%	3.74%	3.39%	2.47%	2.12%	1.62%	-1.52%	6.45%	7.91%	-0.04%
1-Year	11.47	10.34	9.11	6.24	4.59	2.59	-0.66	16.21	17.46	6.80
3-Year	8.81	8.08	7.23	5.22	3.92	2.22	1.75	12.54	11.18	5.41
5-Year	9.55	8.77	7.87	6.09	4.09	2.21	2.63	13.17	11.68	6.22
2017 Administrative Expenses										
Gross	.046%	.046%	.046%	.046%	.046%	.046%	.046%	.046%	.046%	.046%
Net¹	.033%	.033%	.033%	.033%	.033%	.033%	.032%	.032%	.032%	.032%
Other Expenses²										
	.008%	.007%	.006%	.004%	.003%	.000%	.017%	.002%	.027%	.010%

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 July 31, 2018. (For more recent returns, visit "Fund Performance" at tsp.gov.) 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.

Additional information about the TSP core funds: 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.

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 2017 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.