

# Additional Lifecycle (L) Funds

Beginning July 1, 2020, new Lifecycle (L) Funds will be available to TSP participants. This fact sheet explains the coming changes.

## Background on the L Funds

Each L Fund is made up entirely of the five core funds—G, F, C, S, and I—in different proportions. The L Funds are target date funds, meaning they automatically adjust as you get closer to the time you plan to retire.

When your target date is far in the future, you can take more risk, seeking greater reward, because you have time to recover from any market downturns before you'll need your money. When your target date is close, you may want to be more conservative with your investments. To make that gradual adjustment on your own, you'd have to regularly shift the money in your TSP account from the more aggressive C, S, and I funds to the more conservative G and F Funds. The L Funds do that work for you.

So, for example, the L 2050 Fund today is 82% invested in the C, S, and I Funds and only 18% invested in G and F. That's because its target date, the year 2050, is still 30 years away. But when we get within a year or two of 2050, the percentages will be close to the other way around. It will still be called the L 2050 Fund, but it will have a completely different investment approach, all without your having to make changes on your own.

The current L Funds are L 2050, L 2040, L 2030, L 2020, and L Income. The years in the names are the target dates. The L Income Fund is for people who have already reached the target date. It's always the most conservative of the L Funds.

Many TSP participants, especially those newer to the plan, were invested automatically into the L Fund most appropriate for their age.

## What's Changing

### Target Dates in Five-Year Increments

We're adding more L Funds so that the target dates will be separated by only five years instead of ten. Say you plan to retire within a year or two of 2035. Without these additional options, you'd have to choose between the L 2030 Fund and the L 2040 Fund, or maybe split your account between the two. The new L 2035 Fund will allow you to more precisely target the time when you think you'll need your money.

### Goodbye L 2020 Fund

When an L Fund reaches its target date, as the L 2020 Fund is about to, it becomes identical to the L Income Fund, so it ceases to exist. If you have money in the L 2020 Fund on July 1, don't worry; that money will roll automatically into the L Income Fund. You can always make an interfund transfer into any fund you decide.

### The New L Fund Lineup

Starting July 1, 2020, there will be ten L Funds available: L 2065, L 2060, L 2055, L 2050, L 2045, L 2040, L 2035, L 2030, L 2025, and L Income. See the table on page 2 to decide which one might be right for you.



## CHOOSING AN L FUND

### L Income Fund

**Consider investing in this fund if:**

- You are already withdrawing from your TSP account or
- You were born before 1958

### L 2025 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2021 – 2027 or
- You were born between 1958 – 1964

### L 2030 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2028 – 2032 or
- You were born between 1965 – 1969

### L 2035 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2033 – 2037 or
- You were born between 1970 – 1974

### L 2040 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2038 – 2042 or
- You were born between 1975 – 1979

### L 2045 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2043 – 2047 or
- You were born between 1980 – 1984

### L 2050 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2048 – 2052 or
- You were born between 1985 – 1989

### L 2055 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2053 – 2057 or
- You were born between 1990 – 1994

### L 2060 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account between 2058 – 2062 or
- You were born between 1995 – 1999

### L 2065 Fund

**Consider investing in this fund if:**

- You plan to begin withdrawing from your TSP account after 2062 or
- You were born after 1999