



**Office of Communications and
Education (OCE)**



The Agenda

- Mission Statement
- Delivering the Message Today
- The TSP Population
- The Status Quo
- Thinking Beyond Today!!!
- Wizards and Sneak Peeks
- The Ultimate Goal
- Getting There
- A Bonus
- ??s



Mission Statement

To educate and inform participants, potential participants, beneficiaries, and TSP partners in order that participants may take full advantage of the TSP's features and benefits in meeting their retirement goals.



Delivery Today

- Traditional Mail and Paper-based Info.
- Electronically (Web; including e-messaging)
- Face-to-Face (Agency/Service invitation)
- Webinars (Sponsored by req. agencies/services)
- Conferences (Presentations and booths)
- Agency/Service Reps (Education and material)
- Phone (Call centers and ThriftLine)



A Sampling

Before-tax 44
After-tax 52
Traditional 54
Roth 55

Tax Strategy

The New Discover

QR code and URL: www.tsp.gov/roth/index.shtm

Summary of Thrift Savings Plan Loans

Managing Your Account For Beneficiary Participants

General Purpose • Residential • Your Plan • Your Future

May 2012

Tax Treatment of Thrift Savings Plan Payments Made Under Qualifying Orders

This fact sheet applies to you if you

- You separated from Federal civil service to perform military service
- Your release from military service is after August 2, 1990; and
- You were subsequently reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

The Uniformed Services Employment and Reemployment Rights Act of 1994 contains seven provisions regarding the Thrift Savings Plan (TSP).

- FERS employees are eligible to receive Agency Automatic (1%) Contributions for the period of nonpay status associated with performing military service.
- FERS employees are eligible to receive Agency Matching Contributions¹ TSP accounts if they contributed to FERS services accounts for the period of separation to perform military service.
- FERS and CSRS employees may elect to have contributions to their Thrift Savings Plan accounts removed from their Thrift Savings Plan accounts as a result of performing military service. FERS employees will receive Matching Contributions.
- FERS employees who were not separated from civilian service, and who Automatic (1%) Contributions are earnings removed from their Thrift Savings Plan accounts as a result of performing military service, are entitled to have those funds restored to their Thrift Savings Plan accounts.

¹ FERS refers to the Federal Employees' Retirement System, and retirement earnings.

² All agency contributions are deposited into the Thrift Savings Plan.

Qualifying orders are retirement benefits court orders, legal processes (including child support orders), and child abuse orders that meet requirements set forth in 5 C.F.R. Part 1653.³ Before you receive a payment made under a qualifying order from the Thrift Savings Plan (TSP), you should review the important information in this notice. Although the TSP can assist you in receiving your payment, we cannot provide tax advice. Because tax rules are complex, you may wish to speak with a tax advisor before you make any decisions that might have tax consequences.

1. General Tax Information

The tax treatment of a payment made under a qualifying order depends on the type of money in the TSP account. A TSP account may contain:

Contributions to a **traditional (non-Roth)** TSP account. These contributions are made with pre-tax money. They are subject to federal income tax when you receive a payment made under a qualifying order.

Contributions to a **Roth balance** are made with after-tax money. They are not subject to federal income tax when you receive a payment made under a qualifying order.

³ Retirement benefits court orders are issued pursuant to a divorce, annulment, or legal separation agreement to be paid from a participant's (or beneficiary's) TSP account to a former spouse or dependent. This includes divorce or annulment. Legal processes are issued pursuant to a court order to satisfy a judgment related to the above. Child abuse orders are issued to satisfy a judgment related to the above. The tax treatment of Roth earnings depends on the date of the order. If the order is dated on or after 1/1/2005, the order is treated as a qualified distribution. If the order is dated before 1/1/2005, the order is treated as a non-qualified distribution. Earnings become qualified, as of January 1 of the calendar year in which the first was made and 2) the participant has reached age 59½, is disabled, or has died. The TSP cannot issue a payment if you meet the Internal Revenue Code's definition of income.

Court orders, legal processes, and child abuse orders which designate a specific balance (traditional, Roth, or tax-exempt) from which payment should be made.

Fund Information

As of December 31, 2011

Net Assets
\$36.5 billion

2011 Administrative Expenses
\$0.25 per \$1,000 account balance, .025% (2.5 basis points)

Investment Objective

Conservatism	Growth	Preservation of Assets
Very Low	High	Very Low
Low	Moderate/High	Low
Moderate	Moderate	Moderate
High	Low	High

Time Horizons

(when you expect to need the money)

Choose: If your time horizon is:

Time Horizon	Investment Objective	
L. 2050	2045 or later	High
L. 2040	2035 through 2044	Moderate/High
L. 2030	2025 through 2034	Moderate
L. 2020	2015 through 2024	Low
L. Income	None with saving or withdrawing soon	Very Low

Inception
The first L Funds were introduced August 1, 2005

Thrift Savings Plan HIGHLIGHTS

July 2012

You live where?

The TSP receives a large volume of returned mail each year from addresses that are not current or just plain invalid. If one of these had addresses is yours, get it fixed! If you're not sure what address we have for you, log into My Account on the TSP website, choose "Statements" from the left side menu, and open your most recent quarterly statement. You can also call the Thrift line and speak to a Participant Services Representative.

How to correct your address

Still employed by the Federal Government? Submit your correct address to your agency or service. Don't rely on the change of address or forwarding information you submit to the U.S. Postal Service; this has no effect on the address in your TSP account. Only your agency or service can change your address in your TSP account record.

Once you submit your correct address to your agency or service, follow up with the TSP to make sure it has been changed.

Separated from service? Change your address online in the My Account section of the TSP website, or submit Form TSP-9, Change in Address for Separated Participant, available on the website or by request when you call the Thrift line.

Your New Quarterly Participant Statement

The TSP began accepting Roth TSP contributions on May 7, 2012. * Now that some participants have the ability to make Roth (after-tax) contributions to their TSP accounts, these contributions have to be held in a balance separate from traditional TSP contributions. This is because traditional and Roth contributions have different tax treatments, and the two types of contributions and their gains (or losses) have to be accounted for separately. As a result, the introduction of Roth TSP has required us to redesign your participant statements. Your second quarter participant statement (covering April 1 through June 30, 2012) is the first to showcase the new design.

Features of the new design.

Every aspect of the new statement is designed to account for the handling of Roth money coming into your account. If you have not made Roth contributions (or transferred Roth money into your account), most of these alterations will not be obvious to you.

What will be obvious is that the statement has a new look. The redesign aims to show you a complete snapshot of your account on the first page. You'll see:

- Vesting information (if it applies to you);
- A summary of how your account value has changed during the quarter;
- Your account balance distribution among the TSP investment funds;
- How you've told the TSP you want to invest new money coming into your account;
- A summary of the information we have for you in your TSP record, such as your date of birth, retirement coverage, and employment status;
- Your personal rate of return for the 12 months preceding the quarter's end; and

* At this time, not all agencies and services are accepting elections for Roth contributions because they are still making the necessary technical and programmatic changes to their payroll systems.

8/20/2012



TSP Population

Average ages

All:	44.5
US:	32.3
FERS:	46.7
CSRS	61.6

No. of active participants

US:	724,000
FERS:	2,389,000
CSRS:	175,000



The status quo

Risk, the bottom line:

Participants and beneficiaries
are likely to be less prepared
for retirement.



Goal

**To help participants and beneficiaries
retire with dignity.**

CONNECT!

EDUCATE!

ENGAGE!



Thinking beyond today!!!

- **YouTube** – The online video-sharing website. Second largest search engine in the world. As of May 2011, YouTube had 800 million monthly unique users worldwide who upload more than 48 hours of video to the site every minute
- **Video Clips** – Short messages for busy lives.
 - 67% of 18-34-year-olds on YouTube (38.7 million)
 - 59% of 35-49 year-olds on YouTube (34.2 million)
 - 52% of 50-64 year-olds on YouTube (25.7 million)
 - 48% of 65 + year-olds on YouTube (10.9 million)
- **Webinars** – Webinars and Podcasts used by 69% of professionals surveyed
- **Mobile Apps** – Mobile devices continue to reshape the way Americans use the Internet and the Web. Habitual. US favorite mobile activities: 67% check bank account; 51% conduct bank transactions; 43% budgeting



More...

Thinking beyond today!!!

E-mail Collection — Among online adults 92% use e-mail; 61% use it everyday. (In 2002, 55% of all Americans used e-mail; 70% as of 2011)

Social Media — In 2002, 11% of Internet users visited social network sites; 65% as of 2011. 55% of Millennials visit social network sites (several times – once per day) spend average of 23 minutes online each day

Online Transactions — Immediate online help. Potentially, faster processing. Lower error rate and higher acceptance rate.

Interactive Tools — Calculators, games etc. Tools to help where words fail.





TSP-70
Request for Full Withdrawal
April 2012

THRIFT SAVINGS PLAN REQUEST FOR FULL WITHDRAWAL		TSP-700
I. INFORMATION ABOUT YOU — This section is required.		
1. This request applies to my <input type="checkbox"/> Current Account OR <input type="checkbox"/> Unfunded Services Account		
2. Your Social Security Number _____ <small>(If you are married, please enter your own Social Security Number.)</small>		
3. Foreign address? <input type="checkbox"/> Check here		
4. Foreign address? _____ <small>(Please print name and country)</small>		
5. Date of birth _____		
6. Signature _____ <small>(Print name, date and location)</small>		
II. MARRIED FERS AND UNFORMED SERVICES PARTICIPANTS — If your total TSP account balance is more than \$1,500, your spouse is entitled to a joint life annuity with a 50% survivor benefit, level payments, and no cash refund. Check Item 7b to see if you want the entire account balance to purchase that annuity. Otherwise, complete Items 7c–15, then proceed to Section IV.		
<input type="checkbox"/> I choose the default joint life annuity with a survivor. (Item 3b in Section III, Step 2; see Section VI and complete Page 2)		
<input type="checkbox"/> I do not wish to elect a joint life annuity with a survivor. Please provide your spouse's name and Social Security number and answer the following questions.		
Spouse's name: _____ Spouse's SSN: _____ Spouse's waiver: I waive my right to a joint life annuity with a 50% survivor benefit, level payments, and no cash refund. Yes <input type="checkbox"/> No <input type="checkbox"/>		
Waiver signature: _____ Note: Please complete the following. No other acknowledgment is acceptable (see instructions). The person who signed Item 7b is known to or has identified by me, and before me, signed or acknowledged to have signed this form. In witness thereof, I was observed on this ____ day of _____, 20____.		
My commission expires: _____	Date Served: _____	Military Payee Signature: _____
Initial: _____		
III. MARRIED CERS PARTICIPANTS — This must notify your spouse of your withdrawal request.		
Select one item below that best describes your situation:		
1. In your spouse's address the same as your address.		
2. In a different address than yours. (Don't know spouse's address.)		

Name: _____ TSP Account Number: _____

 (Print Last Name)

IV. WITHDRAWAL, ELECTRONIC—This section is required. Choose one or more methods. Indicate percentages to which you intend to withdraw funds. For each method, indicate the dollar amount of each payment or choice to have the TSP compute your payments based on your life expectancy.

23. I would like to withdraw my entire account balance as follows:

a. ☐ ☐ ☐ 0% Single Payment

b. ☐ ☐ ☐ 0% Life Annuity (Must equal \$3,500 or more. See complete Page 6.)

c. ☐ ☐ ☐ 0% TSP Monthly Payments ☐ Tell us how you want your monthly payments:

1 0 0 % Then \$____, and \$ _____ per month (\$2,500 or round)

☐ Complete my payments based on my life expectancy.

V. DIRECT DEPOSIT INFORMATION—Completing this section is optional. Single payments and/or monthly payments that are not being transferred to a traditional IRA, eligible employer plan, or Roth IRA can be paid by direct deposit to a checking or savings account at a financial institution. Do not complete this section if you want direct deposits for annuity payments. The annuity payments will be deposited into your designated TSP account.

24. Pay my direct deposits (check all that apply): ☐ Single Payment ☐ TSP Monthly Payments

25. Type of Account: 26. _____
 (Name of financial institution)

☐ Checking
 OR
☐ Savings

27. _____ 28. _____
 (Routing number) (Account number)

VI. CERTIFICATION AND NOTIFICATION—This section is optional. I certify that I have read the information in this package, including the Withdrawal, Election and the TSP fee notice, and I agree to complete the withdrawal information. I certify that the information I have provided on all pages of this form is true and I agree to the best of my knowledge, belief, and information, except from Federal source and that it does not appear to be included in the Federal Government within 31 days of my completion. **Warning:** Any intentional false statement in this application will constitute misrepresentation concerning 31 is a violation of state that is punishable by a fine or imprisonment for not less than 5 years, or both (18 USC § 1001).

29. _____ 30. _____
 (Printed name) (Signature)

31. **Notice:** Please complete the following, No other acknowledgment is acceptable (see instructions).
 The person who signed this form is known to or is identified as me, and, before, and signed, or acknowledged to have

Name: TSP Account Number:

Pay Date: MM/DD/YYYY

VII. FEDERAL TAX WITHHOLDING—Completing this section is optional. Withholding will not apply to amounts transferred to an IRA or eligible employer plan or which are otherwise non taxable (see instructions). If you complete this section, you will not complete IRS Form W-4P. If you complete this section incorrectly or choose a withholding option that does not apply to your plan, the IRS may disallow your withholding. And the rest of your form is completed correctly, your **withheld** will be processed as the standard IRS withholding rules.

Withholding on Single Payments

31. The TSP must withhold 20% of the taxable portion of your single payment for Federal income tax. Indicate the dollar amount of withholding you want in **addition** to the mandatory 20% for Federal income tax:

\$.00

Withholding on Monthly Payments

The rate and type of monthly payments you elect will determine the required Federal tax withholding and which options you have available to you. You can use the monthly payment calculator on the TSP website (www.tsp.gov) to calculate the a rated duration of your payments.

32. For monthly payments that last less than 10 years or less than 120 payments, indicate the dollar amount of withholding you want on each payment in **addition** to the mandatory 20% for Federal income tax:

\$.00

33. For monthly payments that last 10 years or more (120 payments or more), are computed based on life expectancy, I want:

a. ☐ No withholding

b. ☐ Withholding based on my marital status:

☐ Single ☐ Married ☐ Married, but withheld at higher single rate

☐ Allowances (Enter the total number of allowances, if any, enter 0.)

c. ☐ Withhold this additional dollar amount: \$.00 (Note: You must also complete item 34.)

Name _____	TSP Account Number _____ _____
TRANSFER—TRADITIONAL	
This page is optional. You and the IRA trustee or plan administrator must complete this page if you want to transfer life, direct rollover all or part of the traditional non-Roth portion of your single or eligible monthly payments to a traditional IRA, eligible employer plan, or a Roth IRA. Your traditional TSP balance consists of contributions, less-amount withheld for agency contributions, and the earnings associated with those contributions. Note: If you choose to transfer money from traditional non-Roth balances to a Roth IRA, you will have to pay tax on that portion where you file your tax return for the year.	
VII. YOUR TRANSFER ELECTION FOR TRADITIONAL BALANCE —After you complete this section, take or send this page to the institution on which we based the basis of your IRA or plan. That IRA trustee or plan administrator must complete Section III. You must submit the completed package in person for your transfer to be processed.	
35. Single Payment. Indicate the percentage of your traditional non-Roth single payment that you want to transfer.	<div style="float: right; text-align: right;">_____% <small>(Indicate whole percentages.)</small></div>
36. Monthly Payments. Indicate the percentage of your traditional non-Roth monthly payments that you want to transfer.	<div style="float: right; text-align: right;">_____% <small>(Indicate whole percentages.)</small></div>
IX. TRANSFER INFORMATION FOR TRADITIONAL BALANCE —This section is to be completed by the IRA trustee or plan administrator. The account described here must be a traditional IRA, eligible employer plan, or Roth IRA. Please return this completed form to the participant. Do not submit transfer forms of financial institutions or plans.	
37. Type of Account: Traditional IRA Eligible Employer Plan Roth IRA _____ } _____ } _____ }	
39. Check this box if tax-exempt balances are accepted into the account identified above.	
40. Provide the name and mailing address information below exactly as it should appear on the front of the check.	
_____ _____ _____ _____ _____ _____	}
_____ _____ _____ _____ _____ _____	
_____ _____ _____ _____ _____ _____	
_____ _____ _____ _____ _____ _____	
_____ _____ _____ _____ _____ _____	
_____ _____ _____ _____ _____ _____	
I confirm the accuracy of the information in this section and the identity of the individual named above. As a representative of the financial institution or plan on which the funds are being transferred, I certify that the financial institution or plan agrees to accept the funds directly from the Thrift Savings Plan and deposit them into the IRA or eligible employer plan identified above. <div style="text-align: right;">_____ <small>(Signature)</small></div>	
41. Signature of Representative _____	42. Signature of Participant _____
43. Date of Signature _____	43. Date of Signature _____

Do not write in this section.

Form TSP-70, Page 4 (4/2021)
PREVIOUS EDITIONS OBSOLETE

[illegible]

1041

Name _____

TSP Account Number _____

First Name _____

Complete the information if you choose a unit life in tier 11 or 23b.

XIII. ANNUITY ELECTION—Choose only one annuity. If you choose a unit life annuity, you must complete Section 83. If the annuity you choose is a married couple's annuity (2), you must also complete Section 83D.

52. Your annuity is _____ ☐ Male ☐ Female

53. Indicate your annuity choice by checking one of the options below.

Single Life—Level Payments:

☐ 1a No additional features
☐ 1b Cash refund (Complete Section 83d)
☐ 1c 10-year certain (Complete Section 83d)

Joint Life With Spouse—Level Payments:

☐ 2a 50% to survivor, no additional features
☐ 2b 50% to survivor, no additional features
☐ 2c 50% to survivor, cash refund (Complete Section 83d)
☐ 2d 50% to survivor, cash refund (Complete Section 83d)
☐ 2e 50% to survivor, no additional features

Joint Life With First Annuitant Other Than Spouse—Level Payments:

☐ 3a 50% to survivor, no additional features
☐ 3b 50% to survivor, no additional features
☐ 3c 50% to survivor, cash refund (Complete Section 83d)
☐ 3d 50% to survivor, cash refund (Complete Section 83d)

Single Life—Increasing Payments:

☐ 4a No additional features
☐ 4b Cash refund (Complete Section 83d)
☐ 4c 10-year certain (Complete Section 83d)

Joint Life With Spouse—Increasing Payments:

☐ 5a 50% to survivor, no additional features
☐ 5b 50% to survivor, no additional features
☐ 5c 50% to survivor, cash refund (Complete Section 83d)
☐ 5d 50% to survivor, cash refund (Complete Section 83d)
☐ 5e 50% to survivor, no additional features

Joint Life With First Annuitant Other Than Spouse—Level Payments:

☐ 6a 50% to survivor, no additional features
☐ 6b 50% to survivor, no additional features
☐ 6c 50% to survivor, cash refund (Complete Section 83d)
☐ 6d 50% to survivor, cash refund (Complete Section 83d)

XIII. INFORMATION ABOUT SPOUSE OR OTHER JOINT ANNUANT

54. _____

_____ ☐ Male ☐ Female
 55. _____ ☐ Male ☐ Female

56. _____

XIV. BENEFICIARY DESIGNATION FOR YOUR TSP ANNUITY—If you choose an annuity with a cash refund or 10-year certain benefit (Options 1c, 2c, 3c, 5c, 6c), you must provide the requested information and indicate the share of your annuity intended for each designation. (Contingent beneficiaries are not allowed.) Use whole percentages. Percentages must total 100%.

57. _____

Share: _____ %

58. _____

Share: _____ %

59. _____

Share: _____ %

60. _____

Share: _____ %

61. _____

Share: _____ %

62. _____

Share: _____ %

63. _____

Share: _____ %

64. Check here if you are submitting additional pages, how many additional pages are you attaching to this form? _____

Do not write in this section.

Form TSP-20, Page 6 (4/2012)

PREVIOUS EDITIONS OBSOLETE



TSP-70...the wizard

Wizard



Sneak Peek


Contribution Comparison Calculator

1 Introduction


2 Retirement Profile

3 Results

Your Retirement Profile

How many years until you retire? 

years

How many years will you spend in retirement? 

years

Current annual salary


\$

Expected rate of return

%

Contributions per year, as a percentage of your salary

%

Show equal paycheck impact (amount deducted) for Roth and traditional contributions. 



Current household tax rate

%

Estimated retirement household tax rate

%

Pay frequency

Calculate



Results

Your Results

Effect on Paycheck

Since you have checked the option to minimize the impact Roth contributions have on your paycheck (and match the traditional paycheck impact), making Roth or traditional contributions will not impact your net paycheck.

In order to keep your net paycheck the same, however, your Roth TSP contribution percentage and contribution amount will be lower than a traditional contribution. The downward adjustment is necessary to account for the income taxes being paid now instead of in the future.

Additionally, Roth TSP contributions will not reduce your AGI the way that traditional contributions will. A higher AGI means you may lose out on certain tax advantages today.

	Traditional	Roth
Paycheck impact:	\$91.35 per check \$2,375.00 per year	\$91.35 per check \$2,375.00 per year
Contribution percentage:	5.0%	4.8%
Contribution amount:	\$96.15 per check \$2,500.00 per year	\$91.35 per check \$2,375.00 per year

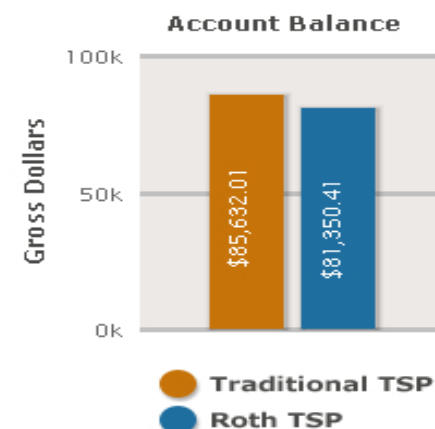
Account Balance

Since you have checked the option to minimize the impact Roth contributions have on your paycheck (and match the traditional paycheck impact), you will contribute less to your Roth TSP balance.

Your gross (pre-tax) traditional balance will be higher because the higher contribution and percentage amounts allow you to generate a higher base amount and return through interest.

The higher traditional balance may be offset, however, by any income tax you pay on it during retirement. The Roth TSP balance, on the other hand, will be tax-free in retirement because you paid the taxes on those contributions when you made them during your career.

Predicting your tax bracket in retirement is the key to determining if Roth TSP or traditional contributions are the right choice for you here and now.





Goal

CONNECT!
EDUCATE!
ENGAGE!



Getting there

- Comprehensive assessment of current products and practices
- Develop a robust, best in class strategy based on results
- Ongoing metrics to maintain effectiveness
- Develop and acquire resources
- Develop and acquire technology



A Bonus



Questions

?