



THRIFT SAVINGS PLAN

# HIGHLIGHTS

January/February 2019

## A Message from the Executive Director

Dear TSP Participant,

I'd like to begin this year's letter by welcoming the hundreds of thousands of new participants who joined the Thrift Savings Plan in 2018 as newly hired federal employees and as members of the uniformed services' Blended Retirement System (BRS). You are among the over 5 million participants who are saving for retirement with one of the largest and lowest-cost defined contribution plans available.

And whether you're new to the TSP or you've been with us for years, I invite all of you to pay particular attention to some of the things that can help you reach a comfortable and secure retirement.

### **Stick to your plan**

Last year we experienced a few significant dips in the markets, and times like those can be hard to navigate. One thing to remember is that investing for retirement requires a long-term view. Rather than reacting to short-term market movements, you need a plan that guides your savings and investment decisions and will help you reach your unique retirement goals. Once you make a plan, stick to it and you'll be in a better position to manage the markets' ups and downs. If you're not sure where to start, take a look at our Lifecycle Funds. The investment mix of each L Fund is designed to strike a balance between taking risks and receiving potential rewards.

### **Validate your information**

We take steps to keep your account secure, but you also play an important role in protecting your account. One way you can do this is by providing and validating a non-work-related email and phone number when you call the ThriftLine (more about the ThriftLine below) or visit [tsp.gov](http://tsp.gov). You can add or update your email addresses and/or a phone number in "Profile Settings" in My Account.

To serve you faster and more securely, we're making more transactions available online. You'll be able to complete some requests through My Account quickly and accurately rather than have to find, download, and mail in paper forms. You can prepare for this transition now by making sure that you know your TSP account number (or customized user ID) and your password, and that you've logged in to My Account to add and validate your contact information.

You should also confirm that your mailing address is up to date. If you're an active employee, you can contact your agency or service to make changes to your address. If you're separated, you can change your address on [tsp.gov](http://tsp.gov) by logging into My Account and selecting "Profile Settings."

### **Meet the match**

If you're in FERS or BRS, getting the most out of your agency's or service's match is one of your most important "must-do" retirement planning strategies. You could be missing out on thousands of dollars in matching funds from your agency or service over time if you're not contributing **at least 5%**. But getting the full agency or service match is just the beginning. Increasing your contribution amount each time you get a pay raise could increase your retirement savings by tens of thousands of dollars over time. An increase as little as 1% could make a big difference.

### **Use your resources**

Whether you need help with a transaction, want to understand the TSP better, or would like assistance with your account, we're here for you.

- **TSP courses** — We offer free courses taught by our TSP training experts. If you're an active participant, ask your agency or service for details.
- **ThriftLine** — The toll-free ThriftLine is our automated telephone service. You can find information such as Plan News, share prices, and loan and annuity rates. You can also speak with one of our Participant Service Representatives (PSRs) by pressing 3 when you call. Our



Ravi Deo, Executive Director

PSRs can answer your questions about loans, contribution allocations, interfund transfers, beneficiary designations, and withdrawals. You can also use your TSP account number and ThriftLine PIN to access your account and complete certain transactions.

- **Secure Message Center** — You can send us a message, and a TSP representative will answer it. Just log into *My Account* and click on “Message Center.”

## See what’s coming

### Withdrawal options

Later this year, we’ll offer new withdrawal options. You’ll be able to

- take more than one in-service, age-based withdrawal;
- take monthly, quarterly, or annual installment payments (if you’re a separated or beneficiary participant) and make changes to those payments at any time during the year;
- request partial withdrawals while receiving installment payments; and
- make withdrawals from your traditional TSP, Roth TSP, or from both proportionally.

The new options are part of the TSP Modernization Act of 2017 and will provide you more flexibility for accessing your retirement savings.

### Lifecycle (L) Fund changes

I mentioned the L Funds earlier in this letter. They provide a mix of everything from short-term U.S. securities to index funds that are made up of domestic and international stocks. They automatically adjust based on the future date at which you expect to start withdrawing your money.

Effective in January 2019, we began making adjustments to the L Funds in an effort to improve outcomes for participants who invest in them. To learn more about the changes, visit the “Bulletin Board” on our [tsp.gov](http://tsp.gov) home page. To see how the adjustments work, visit the “Lifecycle Funds” section.

### A new [tsp.gov](http://tsp.gov)

Our website is getting a makeover. More on that in the next issue of *Highlights*. And speaking of *Highlights*, this newsletter will soon be going digital. Stay tuned.

Please know that we listen to your feedback and consider your input when we make Plan decisions. My goal is to ensure that we serve you and your beneficiaries well.

Sincerely,



Ravi Deo

Executive Director

TSP Website: [tsp.gov](http://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](https://www.facebook.com/tsp4gov)  
 Twitter: [@tsp4gov](https://twitter.com/tsp4gov)  
 YouTube: [youtube.com/tsp4gov](https://www.youtube.com/tsp4gov)

Expenses by Fund <sup>1</sup>										
	L 2050	L 2040	L 2030	L 2020	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
<b>2017<sup>2</sup> Administrative Expenses</b>										
<b>Gross</b>	.046%	.046%	.046%	.046%	.046%	.046%	.046%	.046%	.046%	.046%
<b>Net<sup>3</sup></b>	.033%	.033%	.033%	.033%	.033%	.033%	.032%	.032%	.032%	.032%
<b>Other Expenses<sup>4</sup></b>										
	.008%	.007%	.006%	.004%	.003%	.000%	.017%	.002%	.027%	.010%

<sup>1</sup> 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. For each fund, 1-, 3-, and 5-year rates of return are available on your annual statement.

<sup>2</sup> The 2018 administrative expenses will be available in the April 2019 issue of *Highlights*.

<sup>3</sup> 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.

<sup>4</sup> 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.