



Most full-time and part-time employees covered by the Federal Employees Retirement System (FERS) or the Civil Service Retirement System (CSRS) are eligible to participate in TSP, but the participation rules are different. To verify your retirement plan look at your most recent SF 50, Notification of Personnel Action in Block 30.

FERS

TSP is an integral part of the retirement package, along with your FERS basic annuity and Social Security. TSP is especially important to FERS employees because the formula used to compute a FERS basic annuity is less generous than the formula used to compute a CSRS annuity. As a FERS employee:

- You are automatically enrolled in TSP and 3 percent of your basic pay will be deducted for TSP if you are hired or rehired on or after August 1, 2010. You can terminate your automatic enrollment contributions at any time. You will receive 3 percent [agency matching contributions](#) as well as [agency automatic \(1%\) contributions](#).
- You can elect to start, change, stop, or resume TSP contributions at any time; there is no waiting period.
- You can elect to contribute any dollar amount or percentage (1–100%) of your basic pay to TSP; however, your annual dollar total cannot exceed the Internal Revenue Service [elective deferral limit](#).
- If you stop your contributions, you are not eligible to receive Agency Matching Contributions, but will still receive the Agency Automatic (1%) Contributions.
- If you are age 50 or older, you can make catch-up contributions, up to the Internal Revenue Service elective deferral limit.
- You can invest your TSP account in any of the [five individual investment funds or five lifecycle funds](#).
- Contributions must be made through payroll deductions. However, you may also transfer or roll over eligible funds from a traditional IRA or an eligible employer plan into your TSP account.
- You have a choice of tax treatments – tax-deferred and after-tax contributions.

CSRS

TSP can provide CSRS employees with a source of retirement income in addition to the CSRS annuity. As a CSRS employee:

- You are automatically enrolled in TSP and 3 percent of your basic pay will be deducted for TSP if you are hired or rehired on or after August 1, 2010. You can terminate your automatic enrollment contributions at any time.
- You can elect to start, change, stop, or resume TSP contributions at any time; there is no waiting period.
- You can elect to contribute any dollar amount or percentage (1–100%) of your basic pay to TSP; however, your annual dollar total cannot exceed the Internal Revenue Service [elective deferral limit](#).
- If you are age 50 or older, you can make catch-up contributions, up to the Internal Revenue Service elective deferral limit.



- You can invest your TSP account in any of the [five individual investment funds or five lifecycle funds](#).
- Contributions must be made through payroll deductions. However, you may also transfer or roll over eligible funds from a traditional IRA or an eligible employer plan into your TSP account.
- You have a choice of tax treatments – tax-deferred and after-tax contributions.

Your TSP account will be established when the Defense Finance and Accounting Service sends your first contributions. Once your account is established, the TSP will send three separate mailings to you: (1) a TSP Welcome Letter which includes your TSP account number, (2) your TSP Web password, and (3) your ThriftLine Personal Identification Number (PIN).

Your TSP regular employee contribution election automatically continues each year, as long as you remain eligible to contribute. You do not have to reelect each year. If you elect TSP catch-up contributions, you must reelect these contributions each calendar year.

Complete information about TSP is available on the [TSP Web site](#) and in the publication [Summary of the Thrift Savings Plan](#).

How to Change the Amount of Your TSP Contributions

1. If you are hired or rehired on or after August 1, 2010 you are automatically enrolled in TSP and 3 percent of your basic pay will be deducted for TSP on a pre-tax basis. If you don't want to continue your automatic enrollment in TSP, you can terminate your automatic contributions at any time by making an election in the [Employee Benefits Information System \(EBIS\)](#) or by contacting the [Benefits Line](#). If you want to change from pre-tax to after-tax contributions you will also make your election in the EBIS or by contacting the Benefits Line.

You may request a refund of the contributions deducted from your basic pay associated with the first 90 days of automatic enrollment by completing form TSP-25, Automatic Enrollment Refund Request. Your request must be received by the TSP no later than the refund deadline date provided to you in the TSP Welcome Letter. You may make this refund request whether or not you choose to terminate your contributions to the TSP or submit a subsequent election to change your contribution amount or percentage. If you elect to request a refund of your automatic enrollment contributions the Agency Automatic (1%) Contributions will remain in your TSP account, but you will forfeit the Agency Matching Contributions.

2. You can elect to increase your TSP contribution from the automatic 3 percent contribution to any dollar amount or percentage (1–100%) of your basic pay up to the Internal Revenue Service elective deferral limit by using EBIS or by contacting the Benefits Line. Your election using EBIS is equivalent to completing the TSP-1 election form mentioned on the TSP Web site. Department of the Navy policy requires all civilian employees to make changes to their benefits electronically. Paper forms are not accepted for these transactions.

3. If you are covered by a FERS retirement plan, TSP is an integral part of your retirement. It is especially important to contribute 5 percent of your basic pay each pay period so you will receive the maximum agency matching contributions. If you elect a 5 percent contribution and determine it is more than you can afford, you can change the election at any time. It is also important to make contributions each pay period. If you reach the Internal Revenue Service limit before the end of the year, your contributions (and consequently your agency matching contributions) will stop. For more



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information, refer to the TSP fact sheet [Annual Limit on Elective Deferrals](#) and the [Elective Deferral Calculator](#).

4. If you are already contributing the maximum amount to TSP regular employee contributions and you will be turning age 50 in the calendar year, you can also elect TSP catch-up contributions using EBIS. Your election using EBIS is equivalent to completing the TSP-1-C mentioned on the TSP Web site.
5. Your TSP elections will be effective at the beginning of the next pay period following your election.
6. You should review the biweekly Leave and Earnings Statement you receive from your payroll office to ensure correct deductions have been withheld for your election and to avoid errors for which you could be indebted. Refer to the [Effective Date Chart](#) to determine when your election should be reflected in your pay check.

How to Make Investment Transactions

1. Your initial TSP contributions will be invested in, and remain in, the G Fund (Government securities) unless you make an [interfund transfer](#).

An interfund transfer moves the money already in your account among the TSP investment funds. Each calendar month, your first two interfund transfers may redistribute money in your account among any or all of the TSP funds. After the first two, your interfund transfers can only move money into the G Fund.

If you want your future contributions invested in funds other than the G Fund, you must make a [contribution allocation](#). A contribution allocation specifies how you want to invest new money going into your TSP account. You may make a contribution allocation at any time.

You will be able to make an interfund transfer once you receive a TSP account number.

2. You must make your interfund transfer and/or contribution allocation on the [TSP Web site](#) or the [ThriftLine](#) (using the automated system or by speaking to a TSP participant service representative). You cannot make investment transactions using EBIS.

3. Interfund transfers or contribution allocations made on the TSP Web site or the ThriftLine by 12 noon, Eastern Time, are generally processed and posted to your account at the close of business that day.

Interfund transfers or contribution allocations made on the TSP Web site or the ThriftLine after 12 noon, Eastern Time, will ordinarily be processed and posted to your account at the close of business on the following business day.

Interfund transfers or contribution allocations made by submitting a TSP-50 will generally take effect within 5 business days of the day it is received by TSP.

4. You will receive a confirmation of your transaction from the TSP record keeper.
5. Call the [ThriftLine](#) if you have questions about how to make an interfund transfer or contribution allocation.