

THRIFT SAVINGS PLAN

QUICK REFERENCE GUIDE

What is TSP?

TSP is a defined contribution plan for federal government employees and uniformed services members, including the Ready Reserve. The retirement income you receive from your TSP account depends on how much you contribute, the earnings accumulated over time, including any eligible agency or service contributions and their earnings.

Member Contributions

- Automatically enrolled into a Traditional account at 60 days of service, contributing 5% of basic pay (you can change the percentage in your agencies electronic access site)
- Unless directed otherwise, the account is invested in age-appropriate L Fund
- Service members can also contribute up to 100% of incentive, special, or bonus pay when contributing from basic pay
- Catch-up contributions (age 50 and older) from basic pay only
- Contributions stop when annual limit is reached or at the end of a calendar year, whichever is first

Service Contributions

- Service contributes 1% of monthly basic pay after 60 days of service
- After 2 years of service, agency matching contribution received until separation, retirement, or completion of 26 years of service
 - First 3% of member contributions matched dollar-for-dollar
 - Next 2% of member contributions matched 50 cents per dollar

Combat Zone Pay Contributions

- Traditional account
 - Annual Additions Limit: \$69,000 (2024)
 - Tax-free contributions
 - Tax-free withdrawals on contributions; earnings taxable
- Roth account
 - Qualified withdrawals are tax-free
 - Age 59 ½ or older
 - Permanently disabled
 - An account more than 5 years old
 - Catch-up contributions allowed
- Early withdrawal tax penalty does not apply to any portion of a TSP distribution from tax-exempt contributions from pay earned in a combat zone
- For more information, review TSP Booklet 7, www.tsp.gov/publications/tspsf07.pdf

Traditional/Roth Accounts

- **Traditional** (pre-tax): contributions and earnings taxed upon withdrawal
- **Roth** (after tax): contributions taxed when made; earnings tax-free subject to IRS requirements
- You can have both Traditional and Roth TSP accounts
- Government matching is always to Traditional accounts

2024 Contribution Limits

- Elective Deferral Limit: (\$23,000) a combined total of member Traditional and Roth contributions
- Catch-up Contribution Limit: (\$7,500) maximum that can be contributed in a calendar year for those age 50 and older, separate from Elective Deferral Limit
- Contribution limits change annually; visit tsp.gov for current limits



Investment Options: Individual Funds

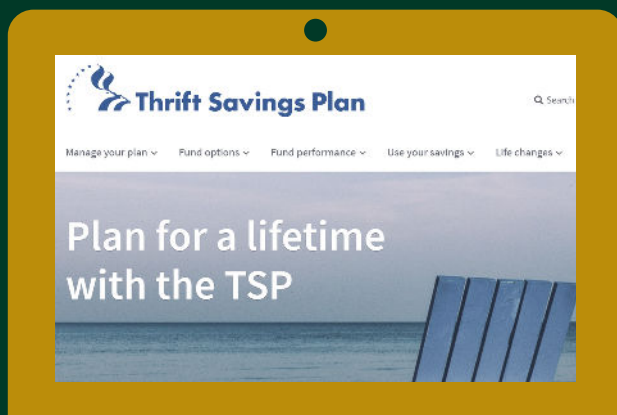
- Investments for stability
 - Government Securities Fund (G)
 - Fixed Income Fund (F)
- Investments for long-term growth
 - Common Stock Fund (C)
 - Small-cap Index Fund (S)
- International Index Fund (I)
 - Diversified investments
- Can change your investment allocation twice per month

Investment Options: Lifecycle Funds (L Funds)

- L Funds: diversified mix of the five individual funds
 - Risk varies with time objective
 - 10 funds: L Income through L2065
- Professionally designed and automatically adjusted
- No additional cost
- Can switch to individual funds at any time

Investment Options: Mutual Fund Window

- Initial investment of at least \$10,000 but not more than 25% of the account balance
- Additional fees apply
 - \$55 annual fee
 - \$95 maintenance fee
 - \$28.75 per trade fee
 - Additional fees/expenses applied by mutual fund providers
- Fees subject to change visit tsp.gov for details



Availability of Assets

- TSP Loans
 - Must be in pay status
 - Min \$1,000, max is smallest of:
 - Your contributions and earnings on those contributions, or
 - 50% of the vested account balance, or
 - \$50,000 (minus outstanding loan balance)
 - Loan payment by payroll deduction
 - Interest rate is the G fund return rate at the time the loan is processed
 - General purpose loan
 - \$50 fee
 - No documentation required
 - 1 to 5 year repayment
 - Primary residence loan
 - \$100 fee
 - Documentation required
 - 1 to 15 year repayment
 - Spousal consent required
- In-Service Withdrawal
 - Minimum \$1,000
 - Cannot return money to the account
 - Subject to income tax
 - May incur a 10% IRS early withdrawal penalty
 - Spousal consent required
 - Financial Hardship Withdrawal
 - Limited to the amount of your financial need
 - Contributions continue unless you stop them
 - Only 1 withdrawal is allowed per 6-month period
 - Age-Based Withdrawal (age 59 ½ or older)
 - No early withdrawal penalty
 - Up to 4 per calendar year
- For more information, review TSP Booklet 12, www.tsp.gov/publications/tspbk12.pdf
- Upon Leaving Government Employment
 - Leave funds in TSP
 - RMDs start at age 73
 - Transfer funds from other qualified accounts into TSP
 - Transfer funds from TSP to another qualified account
 - Withdrawal options:
 - Lump sum payment
 - Installment payments: monthly, quarterly, or annual
 - Lifetime payments (MetLife annuity)
 - Transfer to another qualified account
- Withdrawals before age 59 ½ incur a 10% tax penalty
- For more information, review TSP Booklet 26, tsp.gov/publications/tspbk26.pdf