

# A BRIEF SUMMARY OF THE THRIFT SAVINGS PLAN OF THE UNIFORMED SERVICES

## PLAN DETAILS

- Defined contribution retirement plan
- Open to all active duty and ready reserve of the uniformed services
- Optional — member must sign up
- Can contribute up to 100% of base pay (2010) (“elective deferral”)
- Can contribute up to 100% of special and incentive pays (including bonuses) (“elective deferral”)
- Total of elective deferrals cannot exceed \$16,500 (2010)
- Can contribute any amount of tax-exempt pay (combat zone exclusion) up to \$49,000 per year or 100% of compensation, whichever is less (2010)
- Must be currently enrolled in the plan to contribute any special and incentive pays, including bonuses
- Government match may be available in future, no current plans
- All money in account belongs to member

## ENROLLMENT

- May enroll anytime

## INVESTMENTS

- May choose among five individual, plus five Lifecycle investment funds. You may allocate any percentage of your contributions to any one or all of the available investment funds.
- G Fund: Government Securities, no risk
- F Fund: Fixed income fund, objective is to mirror the US Bond Market
- C Fund: Large company stock fund, objective is to mirror the S&P 500 Index, representative of about 79% of the U.S. stock market
- S Fund: Small company stock fund, objective is to mirror the Wilshire 4500 Index, encompassing stocks NOT in the S&P 500
- I Fund: International fund based on the EAFE Index, objective is to track the overall performance of the major companies and industries in the European, Australian and Asian stock markets

- L Fund: Consists of five pre-packaged portfolios with professionally determined asset allocation
- Returns on the F, C, S, I and L Funds are not guaranteed, and will fluctuate. Members allocating contributions to these funds will acknowledge that they are investing at their own risk on form TSP-U-50

## WITHDRAWALS

- Penalty will apply for most withdrawals prior to age 59 ½
- Withdrawals available for documented financial hardship
- In-Service loans available, but must be repaid
- Upon separation from service member can receive a single payment, monthly payments, or purchase a TSP annuity (min. \$200 in account)
- Member can leave funds in TSP, transfer to rollover or conduit IRA, or transfer to new employer’s 401(k) plan, if they accept these types of funds

## BENEFITS OF TSP

- Before-tax contributions lower annual tax bill
- Growth of investment is tax-deferred — taxes not paid until funds are withdrawn
- Very low administrative costs and expenses
- Easy to start, flexible maintenance
- Portability
- Beneficiary designations
- Website and Thriftline telephone service
- Compound Interest and Time
- Roll-over Traditional IRA or 401K even after separation or retirement

## SOURCES OF HELP

- Your Command Financial Specialist
- Your Fleet and Family Support Center Financial Education Specialist
- Your personal financial planning professional
- Websites
- [www.tsp.gov](http://www.tsp.gov) (Uniformed Services)



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