



THRIFT
SAVINGS
PLAN

PART I

As of August 2009

TSP Overview

Part I – “Money In”

- ✓ Introduction
- ✓ TSP Benefits
- ✓ Contribution rules
- ✓ Portability
- ✓ Participant resources
- ✓ Investment options

Retirement Program Categories

- ◆ **Defined Benefit Program**
 - Pre-determined formula based on years worked and average salary
 - CSRS and FERS Basic Annuity

- ◆ **Defined Contribution Program**
 - Benefit based on contributions and return on investments
 - TSP and 401(k) type plans

CSRS and CSRS Offset

- ◆ Defined Benefit Program
- ◆ One-tiered benefit based on a formula of years worked and average salary
- ◆ Rewards employees for longevity
 - Up to 42 years of service
- ◆ Pays a maximum of 80% of highest 3 year average grade and step
 - Sick leave can increase benefit over 80%

FERS

- ◆ Three-tiered retirement system comprised of defined benefit and defined contribution programs
- ◆ Basic annuity component administered by the OPM
 - Based on years worked and high-3 average salary
- ◆ Social Security component administered by the Social Security Administration (SSA)
 - Benefit pays a percentage replacement rate of average salary earned from Social Security deductions
- ◆ TSP component is administered by the FRTIB
 - Benefit received based on contributions and return on investments

CSRS vs. FERS Annuity

John Smith – CSRS** Employee Years of Service = 30 years High-3 Average Salary = \$100,000	Jane Smith – FERS* Employee Years of Service = 30 years High-3 Average Salary = \$100,000
CSRS Annuity Formula (Yrs. of Service – 2) x 2% + .25% x High-3	FERS Annuity Formula (Yrs. of Service) x 1% x High-3
John's Annuity Calculation $56.25\% \times \$100,000 = \$56,250$	Jane's Annuity Calculation $30\% \times \$100,000 = \$30,000$

*FERS employees will also receive Social Security benefits

*TSP is a crucial retirement component for FERS employees

**TSP is supplemental income for many CSRS employees

TSP Tax Benefits

- ◆ All participants receive a Federal tax deferral on contributions made to the TSP
- ◆ Contributions are deducted from pay before Federal taxes are withheld
- ◆ Federal taxes are computed and withheld from the reduced salary
- ◆ Uniformed service members who contribute while in a designated combat zone will contribute tax-exempt contributions that accrue tax-deferred earnings. Earnings on these contributions are taxable when withdrawn
- ◆ Participants defer taxes on the TSP account until a withdrawal of the account is made
- ◆ Tax deferral of TSP is determined by each State or County

TSP Tax Benefits

Example:

Bi-weekly basic pay	\$1,408.00
TSP election	<u>x 10%</u>
TSP deduction:	\$ 140.80

Basis for Federal tax withholding:

	\$1,408.00
	<u>- 140.80</u>
Taxable income	\$1,267.20

Annual Income Earned:	\$36,608.00
Annual TSP contributions:	<u>- \$3,660.80</u>

Taxable Income: \$32,947.20

Retirement Savings Contributions Credit

Adjusted Gross Income 2009

Married filing joint	Head of household	All other filers	Credit (max per person)
\$1-\$33,000	\$1-\$24,750	\$1-\$16,500	50% of contributions (\$1000)
\$33,001- \$36,000	\$24,751- \$27,000	\$16,501- \$18,000	20% of contributions (\$400)
\$36,001- \$55,500	\$27,001 \$41,625	\$18,001- \$27,750	10% of contributions (\$200)
Over \$55,500	Over \$41,625	Over \$27,750	Credit not available

Retirement Savings Contribution Credit

- ◆ The tax credit reduces the amount of taxes owed
- ◆ The amount of the reduction is based on:
 - the amount of taxes owed
 - the income bracket the participant falls under, and
 - The participant contributing to a plan like the TSP, or a tax-deductible IRA
- ◆ Maximum reduction is the amount owed or the credit, but not more than \$1,000 per saver
- ◆ Information regarding the credit can be obtained from the IRS at <http://www.irs.gov>

Same married employee from previous page, sole wage earner in household

Annual Income Earned: \$36,608.00
(Not eligible for the maximum tax credit based on taxable income earned)

If employee contributes 10% to the TSP:

Annual TSP contributions: \$3,660.80

Taxable Income: \$32,947.20

(Now eligible for the maximum tax credit!)

Federal taxes owed between \$1 and \$1,000.00 will be reduced.

For example, if the participant owed \$500 in taxes, the \$500 tax liability would be eliminated; if the participant owed \$2,000 in taxes then he would owe \$1,000 after the credit is applied

TSP Contribution Rules - FERS

- ◆ Employee Contributions
 - Elections to start, change, and stop contributions can be made at any time
 - Immediately eligible upon hire/rehire
 - Any dollar amount or percentage up to IRS elective deferral limit (\$16,500 for 2009)
 - Always vested

When eligible for agency contributions:

- ◆ Agency Automatic (1%) Contributions
 - Subject to vesting
 - Not based on Employee Contributions
- ◆ Agency Matching Contributions
 - Based on first 5% of Employee Contributions
 - 4% maximum
 - \$1/\$1 for 1st 3%
 - 50¢/\$1 for next 2%
 - Always vested

The Elective Deferral Limit and its Impact on Maximizing Agency Matching Contributions

Ed and Susan work at the same agency and earn the same annual salary of \$130,000; bi-weekly \$4,983.22. Ed elects 20% and Susan elects 13% to contribute to the TSP. Both will contribute \$16,500 this year, however Ed will not maximize his agency contributions.

Here's why:

ED - \$4,983.22 Basic Pay

Pay	<u>20% EC</u>	<u>4% Matching</u>
check #1	\$996.64	\$199.32
PC #2	\$996.64	\$199.32
PC #3	\$996.64	\$199.32
PC #4	\$996.64	\$199.32
.....		
PC #15	\$996.64	\$199.32
PC #16	\$996.64	\$199.32
PC #17	\$553.76	\$199.32
Total as of PC #17	\$16,500.00	<u>\$3,388.44</u>

By reaching the Elective Deferral Limit early in the year, Ed can no longer contribute; if he can no longer contribute he cannot receive matching contributions on the remaining basic pay he earns for the rest of the year. Note: Ed will receive the Agency Automatic (1%) of \$49.83 each pay date; \$1,295.58 for the year.

SUSAN - \$4,983.22 Basic Pay

	<u>13% EC</u>	<u>4% Matching</u>
PC #1	\$ 647.82	\$199.32
PC #2	\$ 647.82	\$199.32
PC #3	\$ 647.82	\$199.32
PC #4	\$ 647.82	\$199.32
.....		
PC #15	\$ 647.82	\$199.32
PC #16	\$ 647.82	\$199.32
PC #17	\$ 647.82	\$199.32
Total as of PC #17	\$11,012.94	<u>\$3,388.44</u>
PC #18	\$ 647.82	\$199.32
PC #19	\$ 647.82	\$199.32
.....		
PC #25	\$647.82	\$199.32
PC #26	\$304.50	\$199.32
Total as of PC #26	\$16,500.00	<u>\$5,182.32</u>

Sue received \$1,793.88 in additional agency matching contributions because she contributed at least 5% from each basic pay check during the year. Susan also received \$1,295.58 for the year in Agency Automatic (1%) contributions for each pay date.

TSP Contribution Rules - CSRS

◆ Employee Contributions

- Elections to start, change, and stop contributions can be made at any time
- Immediately eligible upon rehire to contribute
- Any dollar amount or percentage up to IRS elective deferral limit (\$16,500 for 2009)
- Always vested

◆ No Agency Contributions

TSP Contribution Rules

Uniformed Services

◆ Contribution Sources

- Basic Pay
- Incentive Pay (e.g. submarine, hazardous duty, aviation career incentive or enlisted flyer pay)
- Special Pay (most other pay not listed as incentive or bonus pay)
- Bonus Pay

TSP Contribution Rules

Uniformed Services

- ◆ Member Contributions
 - Up to 100% of basic pay
 - Any percentage from incentive, special, and bonus pay
 - Contributions are subject to the Internal Revenue Code annual limitations
 - section 402(g), elective deferral limit (\$16,500 for 2009)
 - section 415(c), annual additions limit (\$49,000 for 2009)
 - Contributions deducted from Combat Zone Tax Exempt (CZTE) pay are subject section 415(c) limits but not 402(g)

TSP Contribution Rules Uniformed Services

- ◆ Matching Contributions

(If designated by Service Secretary)

- Based on first 5% of basic pay
- 4% maximum
 - \$1/\$1 for 1st 3%
 - 50¢/\$1 for next 2%
- Requires 6 year active duty obligation
- Your service will provide information on requirements when offered

Catch-Up Contributions

- ◆ Catch-up contributions are made through payroll deduction only and are not matched
- ◆ Elections to start, change, and stop contributions can be made at any time
- ◆ Catch-up contributions will not continue into the next calendar year. A new election must be submitted for each calendar year when the participant is ready to begin catch-up contributions

Catch-Up Contributions

- ◆ The election is by dollar amount using Form TSP-1-C or TSP-U-1-C or agency electronic submission (\$5,500 for 2009)
- ◆ The catch-up contributions are tax-deferred but do not count toward the IRS elective deferral limit
 - Age eligible participants can defer a total of \$22,000
 - Age eligible members in a combat zone during the year can contribute a total of \$54,500
 - Must earn taxable income to contribute catch-up while in a designated combat zone
- ◆ To become eligible for the catch-up a participant must:
 - Be age 50 or older, or will turn age 50 in the calendar year the contribution is deducted from pay
 - Not be in the 6 month termination period because of a TSP financial hardship in-service withdrawal

TSP Transfers and Rollovers

- ◆ Active or separated participants may transfer or rollover into the TSP money from:
 - Eligible employer plans under the I.R.C.
 - e.g. 401(k), 403(a), 403(b) or 457(b) governmental plans
 - Traditional, SIMPLE, and SEP individual retirement accounts or annuities (IRAs) under section 408(a) or 408(b) of the I.R.C.
 - Does not include Roth, education, or inherited IRAs

- ◆ Participant submits Form TSP-60 or TSP-U-60 available from the TSP Web site

- ◆ The amount transferred or rolled over into the TSP account is allocated according to the current contribution allocation on file

- ◆ The amount will be reflected as employee contributions in the account after it has been valued by the TSP

Search Tips

THRIFT SAVINGS PLAN



What's New

- [New Law Affecting 2009 Required Minimum Distributions](#)
- [January 2009 Processing Schedule](#)
- [Special message from the Executive Director \(as of December 19, 2008\)](#)
- [3rd Quarter Participant Statements Online and in the Mail](#)
- [Qs and As on TSP Contribution Rules for 2009](#)



Calculators



Lifecycle Funds



Account Access



Returns, Share Prices, & Fund Sheets

- [TSP Features](#)
- [Forms & Publications](#)
- [Info for TSP Representatives](#)
- [Get E-mail Updates](#)
- [Special Interests](#)

Civilian

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Uniformed Services

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Participant Statements & Highlights

The TSP is a retirement savings plan for civilians who are employed by the United States Government and members of the uniformed services. [The Federal Retirement Thrift Investment Board](#), administers the Thrift Savings Plan (TSP). The Web site <http://www.frtib.gov>, provides information about the FRTIB electronic reading room, procurements, and employment opportunities.

NOTE: Our documents are best viewed with [Microsoft Internet Explorer 5.0 or higher](#), [Netscape Navigator 4.78 or higher](#), [Firefox 1.5 or higher](#), [Mozilla 1.7 or higher](#) or [Safari 1.2 or higher](#). It uses [JavaScript](#), [PDFs](#), [Flash](#), tables, and frames which may not display correctly on older browsers. It also uses [Secure Sockets Layer \(SSL\)](#) and [128-bit encryption](#) for accessing personal account information. Older browsers generally cannot support the security features needed to view personal account information and, in some cases, have been known to cause distortion of the information on the screen.

TSP Web Site www.tsp.gov



Account Access

- View your account balance and your participant statements
- Change your contribution allocation
- Request an interfund transfer
- Find out how much you can borrow
- Request a loan or withdrawal
- Review your loan balance and prepayment information or reamortize your loan
- Create (or change) a custom user ID
- Change or request a Web password
- See your most recent transactions
- View your IRS Form 1099-R



Returns, Share Prices, & Fund Sheets

- View current and historical rates of return
- View the returns for the related indexes
- View the daily and historical share prices
- Review the fund information sheets
- See a comparison of the TSP funds
- View the TSP's expense ratios



Calculators

- See the growth of your existing account balance and future contributions
- Estimate loan payments
- Estimate annuity payments
- Estimate monthly payments
- Check out contribution limits
- See how much you need for retirement



What's New

- See what's new on the Web site
- Read Plan News
- Check Current Information
- View press releases
- Learn about Account Access outages



Participant Statements & Highlights

- View your participant statements
- Change how you receive your future statements (on the Web or in the mail)
- Learn how to read your participant statement
- Link to the newsletter *TSP Highlights*

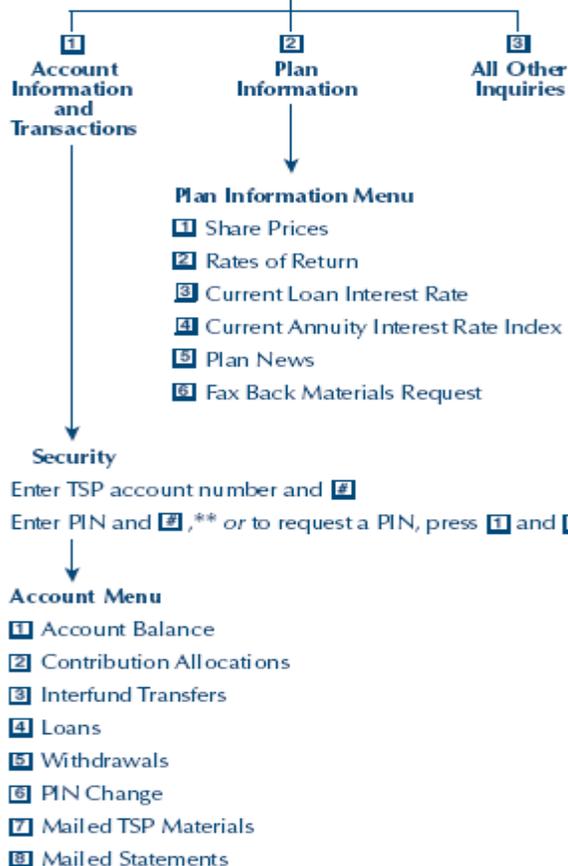
Other Important Web Resources

- Obtain forms and publications
- Learn about plan rules (through TSP Features)
- Find information for TSP Representatives
- Obtain information about the L Funds
- Find information with Search function
- Request e-mail about Web updates

ThriftLine

1-TSP-YOU-FRST*
(1-877-968-3778)

MAIN MENU



* **Outside U.S. and Canada:** Call (404) 233-4400 (not toll free).

** If you have both a civilian and a uniformed services account, you will be taken to the account that is specific to the PIN you entered. If you have customized your PIN to be the same for both accounts, you will be asked which account you wish to access.

TSPLF09(7/2008)

TSP Elections

- ◆ Elections to contribute
 - Election to contribute is submitted to agency only. TSP cannot process elections to deduct from pay
 - Form TSP-1 or TSP-U-1 used by employees to elect to contribute (electronic versions can also be used – Employee Self-Service, PostalEase, MyPay, Best, EBIS, etc.)
 - Participants may elect to start, change, or stop contributions at any time
 - The election is effective the first full pay period after receipt by the agency
 - Catch-up election is a separate TSP election

Contribution Allocation or Interfund Transfer?

When you want to “change” your investments, make sure you make the correct investment election!

Contribution Allocation

- Allocates future contributions and loan payments until superseded by new allocation election
- ThriftLine, or Web site
- Change in allocation is generally effective as of close of business each day based on 12 noon ET cutoff
- Confirmation via web site or mail

IFT

- One-time transaction; account balance remains as invested until participant makes another interfund transfer
- ThriftLine, or Web site
- Change in account balance distribution is generally effective as of close of business each day based on 12 noon ET cutoff
- Confirmation via web site or mail

Interfund Transfer Rule

- For each calendar month, the *first two* interfund transfers can redistribute money in a participant's account among any or all of the TSP funds. After that, for the remainder of the month, IFTs can *only* move money into the G Fund

Example

G	80%
F	
C	
S	
I	20%

Balance at
beginning of month

G	100%
F	
C	
S	
I	

First IFT in
month

G	10%
F	
C	30%
S	5%
I	55%

Second IFT
in month

G	40%
F	
C	10%
S	5%
I	45%

Next IFT in same
month - Increase
G Fund

G	55%
F	
C	5%
S	
I	40%

Another IFT in
same month -
Increase G Fund

The 10 TSP Investment Funds

- ◆ Government Securities Investment Fund
(G Fund)
- ◆ Fixed Income Index Investment Fund
(F Fund)
- ◆ Common Stock Index Investment Fund
(C Fund)
- ◆ U.S. Small-capitalization Stock Index Investment Fund
(S Fund)
- ◆ International Stock Index Investment Fund
(I Fund)
- ◆ *Lifecycle Investment Funds*
(Five L Funds)



THRIFT SAVINGS PLAN FACT SHEET

TSP Funds Annual and Monthly Returns

August 3, 2009

	L 2040	L 2030	L 2020	L 2010	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
2004	-	-	-	-	-	4.30%	4.30%	10.82%	18.03%	20.00%
2005	-	-	-	-	-	4.49%	2.40%	4.96%	10.45%	13.63%
2006	16.53%	15.00%	13.72%	11.09%	7.59%	4.93%	4.40%	15.79%	15.30%	26.32%
2007	7.36%	7.14%	6.87%	6.40%	5.56%	4.87%	7.09%	5.54%	5.49%	11.43%
2008	(31.53%)	(27.50%)	(22.77%)	(10.53%)	(5.09%)	3.75%	5.45%	(36.99%)	(38.32%)	(42.43%)
2008										
Aug	0.11%	0.17%	0.16%	0.29%	0.35%	0.33%	0.92%	1.46%	2.17%	(4.16%)
Sept	(8.35)	(7.24)	(6.01)	(3.00)	(1.75)	0.31	(1.31)	(8.94)	(10.32)	(12.31)
Oct	(15.40)	(13.40)	(11.10)	(5.41)	(3.44)	0.31	(2.40)	(16.83)	(20.99)	(20.59)
Nov	(5.85)	(4.96)	(3.91)	(1.58)	(0.84)	0.31	3.30	(7.18)	(11.13)	(6.72)
Dec	3.63	3.24	2.82	1.66	1.21	0.24	3.73	1.07	4.68	7.66
2009										
Jan	(7.67)	(6.69)	(5.58)	(2.61)	(1.74)	0.19	(0.86)	(8.41)	(8.19)	(11.93)
Feb	(8.52)	(7.47)	(6.22)	(2.95)	(1.98)	0.21	(0.39)	(10.64)	(10.22)	(10.23)
Mar	7.08	6.30	5.35	2.82	2.06	0.24	1.38	8.81	8.64	7.20
Apr	9.38	8.20	6.79	3.20	2.37	0.21	0.49	9.58	15.00	12.13
May	6.19	5.45	4.66	2.28	1.70	0.25	0.78	5.60	3.97	13.41
June	0.09	0.12	0.14	0.24	0.26	0.27	0.54	0.24	0.73	(1.08)
July	7.01	6.16	5.16	2.44	1.94	0.28	1.59	7.58	8.66	9.74
Last 12 Months	(14.79%)	(12.12%)	(9.22%)	(3.03%)	(0.06%)	3.19%	7.87%	(19.89%)	(21.08%)	(21.59%)

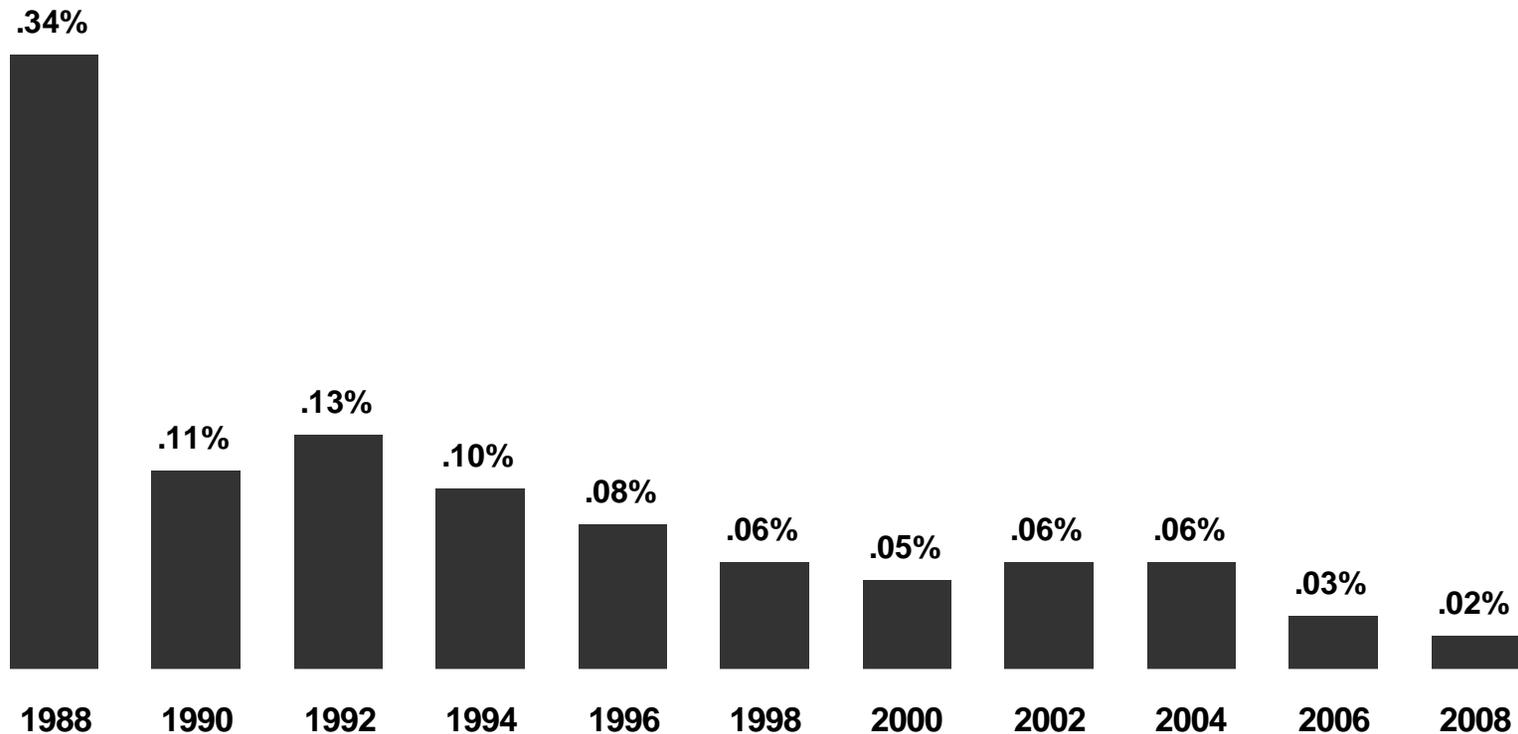
Percentages in () are negative.

Returns represent earnings after deduction of accrued administrative expenses and, in the cases of the F, C, S, I, and L Funds, after trading costs and accrued investment management fees. Future performance of the funds may be significantly different. See the TSP Fund Sheets on the TSP Web site (www.tsp.gov) for additional information.

The Government Securities Investment (G) Fund is invested in special issues of U.S. Treasury securities. The Fixed Income Index Investment (F) Fund is invested in the Barclays U.S. Debt Index Fund, which tracks the Barclays Capital U.S. Aggregate Bond Index (formerly Lehman Brothers U.S. Aggregate (LBA) Index). The Common Stock Index Investment (C) Fund is invested in the Barclays Equity Index Fund, which tracks the S&P 500 stock index. The Small Capitalization Stock Index Investment (S) Fund is invested in the Barclays Extended Market Index Fund, which tracks the Dow Jones U.S. Completion TSM Index. The International Stock Index Investment (I) Fund is invested in the Barclays EAFE Index Fund, which tracks the EAFE (Europe, Australasia, Far East) stock index.

The L Funds are invested in the individual TSP funds (G, F, C, S, and I). The L Funds were implemented on August 1, 2005.

Thrift Savings Fund Expense Ratio 1988 - 2008



- According to Kiplinger's magazine the average 401(k) plan administrative expenses are \$15.00 per \$1,000 or 1.5% (150 basis points)
- No additional expenses except loan program fee of \$50

G Fund

- ◆ Invested in nonmarketable U.S. Treasury Securities with 1 to 4 day maturities
- ◆ Rate is set once a month by the Treasury Department
- ◆ Rate based on closing market prices of all Treasury securities with 4 or more years to maturity
- ◆ No risk of loss (negative returns) in G Fund
- ◆ Managed in-house by the Board



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
 1250 H Street, NW Washington, DC 20005

THRIFT SAVINGS PLAN FACT SHEET

Monthly G Fund Interest Rates

August 3, 2009

The following are monthly G Fund interest rates from January 2000 to the present, stated as annual rates. These rates are calculated based on the statutory formula. They do not reflect actual G Fund returns to participant accounts.

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
JANUARY	6.625	5.375	5.250	4.000	4.250	4.250	4.500	4.750	4.000	2.125
FEBRUARY	6.750	5.375	5.250	4.125	4.125	4.125	4.625	4.875	3.500	2.750
MARCH	6.500	5.250	5.125	3.875	4.000	4.375	4.625	4.625	3.375	2.875
APRIL	6.250	5.250	5.625	4.000	3.875	4.500	5.000	4.750	3.375	2.500
MAY	6.375	5.500	5.250	4.000	4.500	4.250	5.125	4.625	3.750	2.875
JUNE	6.500	5.625	5.250	3.500	4.625	4.125	5.125	5.000	4.000	3.250
JULY	6.250	5.625	5.000	3.500	4.625	4.000	5.250	5.000	3.875	3.250
AUGUST	6.125	5.250	4.750	3.500	4.500	4.375	5.000	4.750	3.875	3.250
SEPTEMBER	6.000	5.125	4.375	3.500	4.125	4.125	4.750	4.500	3.750	
OCTOBER	6.000	4.875	3.875	4.000	4.125	4.375	4.750	4.500	3.625	
NOVEMBER	5.875	4.500	4.125	4.375	4.125	4.625	4.625	4.500	3.750	
DECEMBER	5.625	5.000	4.500	4.375	4.375	4.625	4.500	4.000	2.750	

F Fund

- ◆ Tracks the Barclays Capital U.S. Aggregate bond index
- ◆ U.S. Aggregate index represents sectors of the U.S. bond markets
 - U.S. Government
 - Corporate
 - Asset backed securities
 - Foreign Government

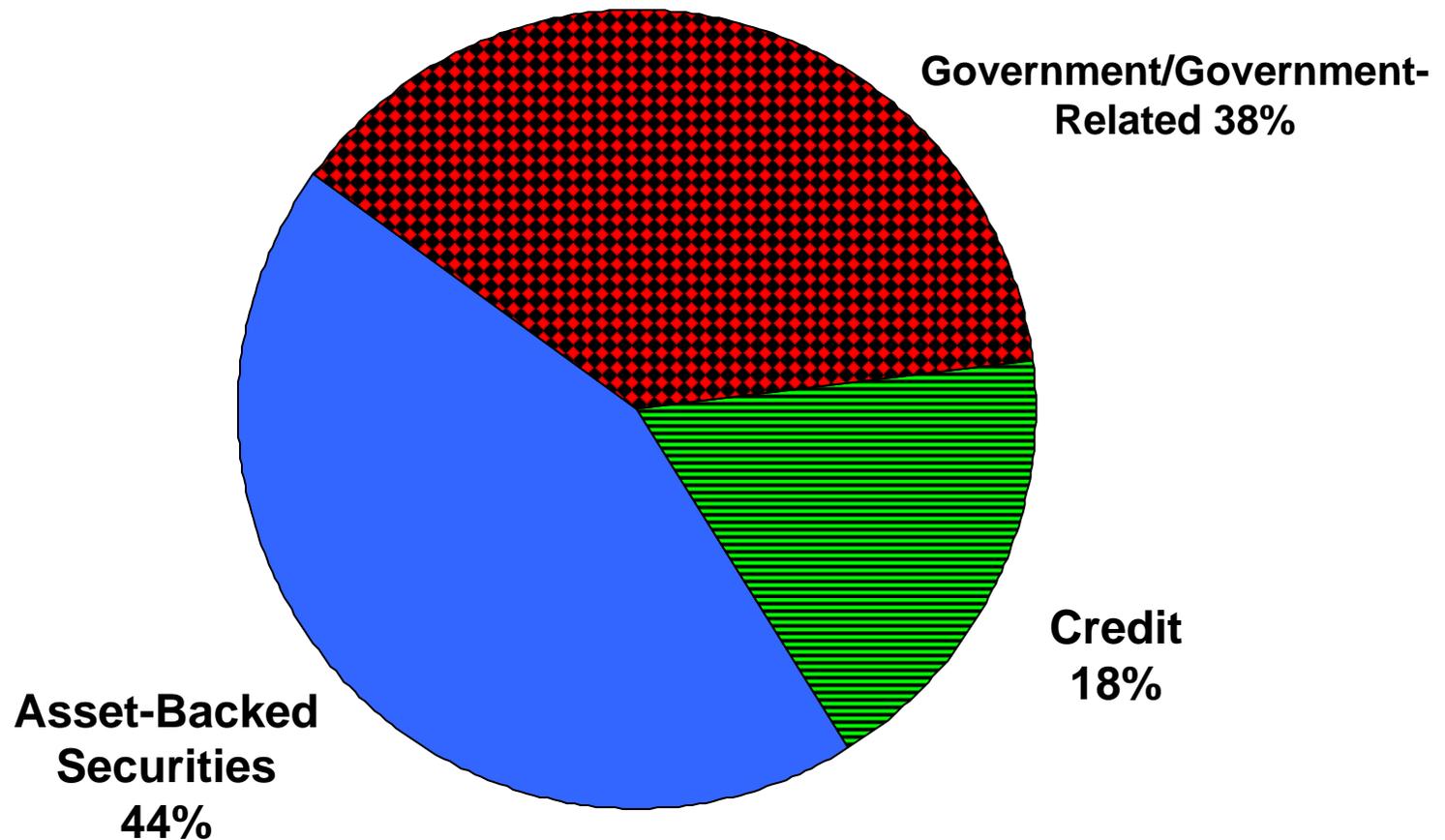
F Fund

- ◆ Managed by Barclays Global Investors in the Barclays U.S. debt index
- ◆ U.S. Aggregate information and values can be found on the Lehman Brothers web site at www.lehmanlive.com

U.S. Aggregate Index

Bond Market Sectors

December 31, 2008



C Fund

- ◆ Replicates the Standard & Poor's (S&P) 500 stock index
- ◆ S&P 500 index contains common stocks of 500 companies that represent the U.S. stock markets
- ◆ The total dollar value of the stocks in the S&P 500 makes up approximately 76% of the value of the U.S. stock markets

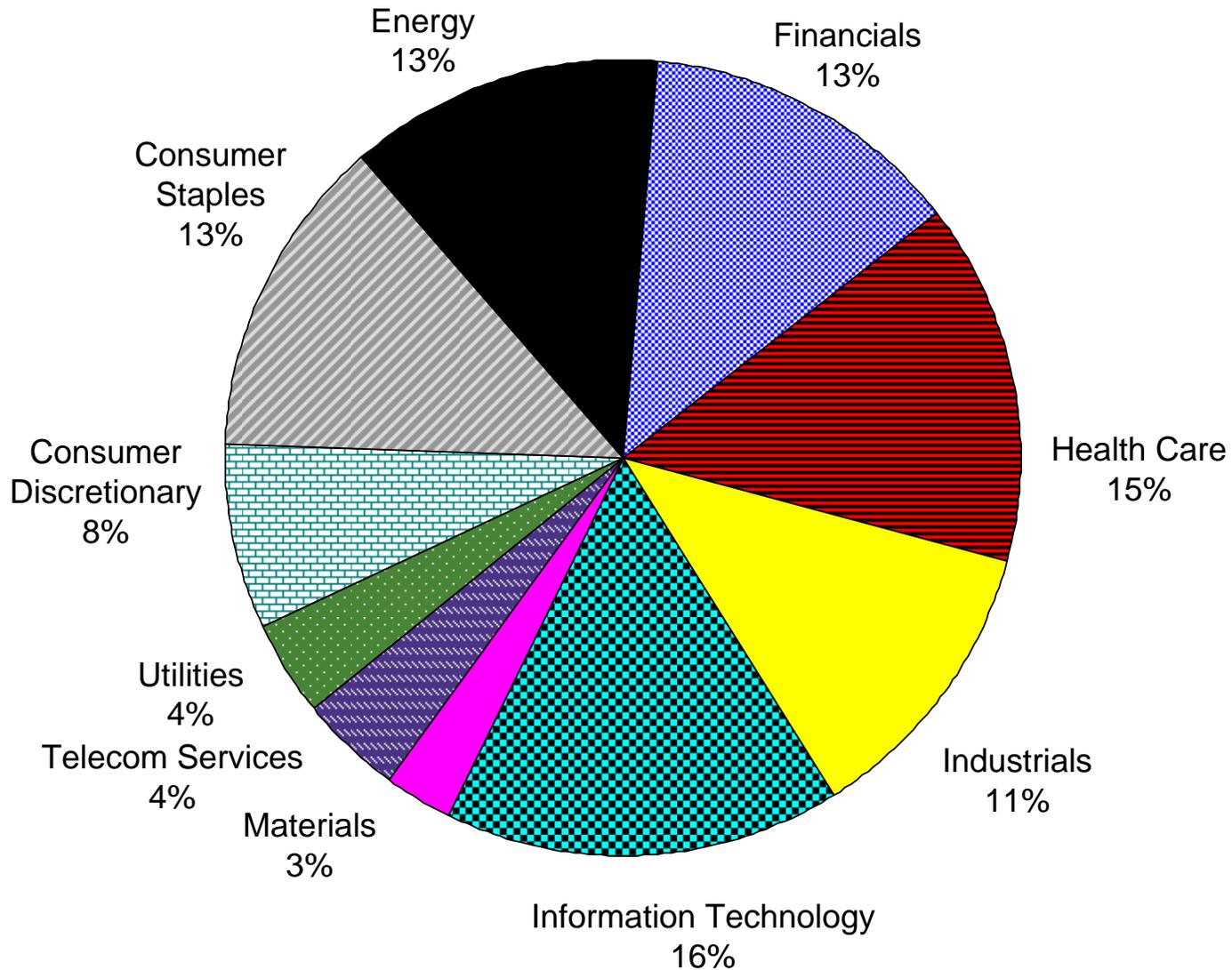
C Fund

- ◆ Managed by Barclays Global Investors in the Barclays equity index fund
- ◆ S&P 500 index information and values can be found at www.spglobal.com

S&P 500 Index

Major Industry Groups

December 31, 2008



S Fund

- ◆ Tracks the Wilshire 4500 completion index
- ◆ Wilshire 4500 completion index contains all common stocks (except those in the S&P 500 index) actively traded in the U.S. stock markets on a daily basis
- ◆ The total dollar value of the stocks in the Wilshire 4500 makes up approximately 24% of the value of the U.S. stock markets
- ◆ Managed by Barclays Global Investors

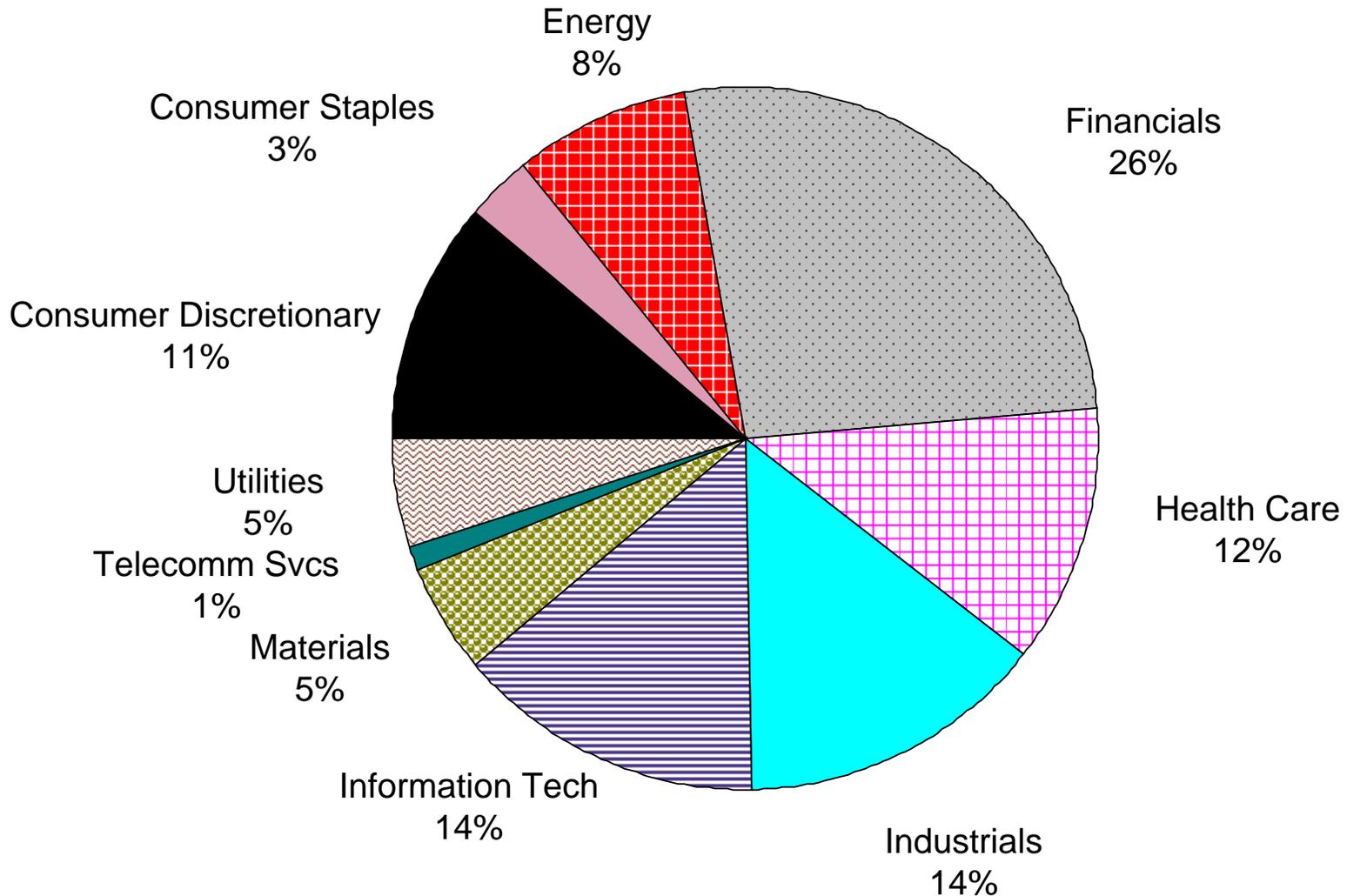
S Fund

- ◆ Managed by Barclays Global Investors and invested in the Barclays extended market index fund
- ◆ Wishire 4500 index information and values can be found at www.wilshire.com

Wilshire 4500 Completion Index

Major Industry Groups

December 31, 2008



I Fund

- ◆ Replicates the Morgan Stanley's Europe, Australasia, and Far East (EAFE) stock index
- ◆ EAFE contains stocks that cover approximately 85% of the stock markets of the 21 countries included in the index
- ◆ EAFE contains approximately 989 stocks that best represent each of the 21 stock markets

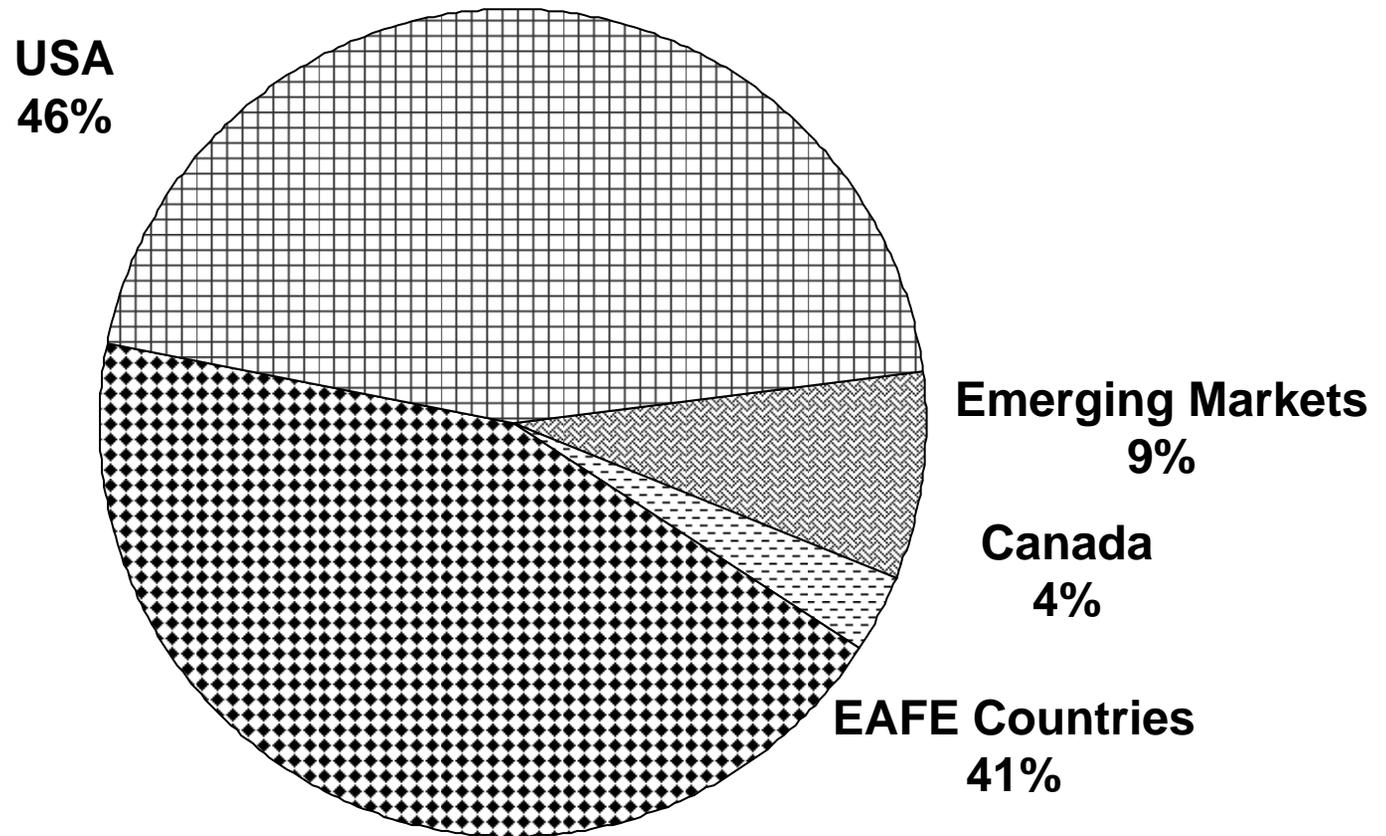
I Fund

- ◆ Managed by Barclays Global Investors and invested in the Barclays EAFE index fund
- ◆ EAFE information and values can be found at www.mscibarra.com

World Stock Markets

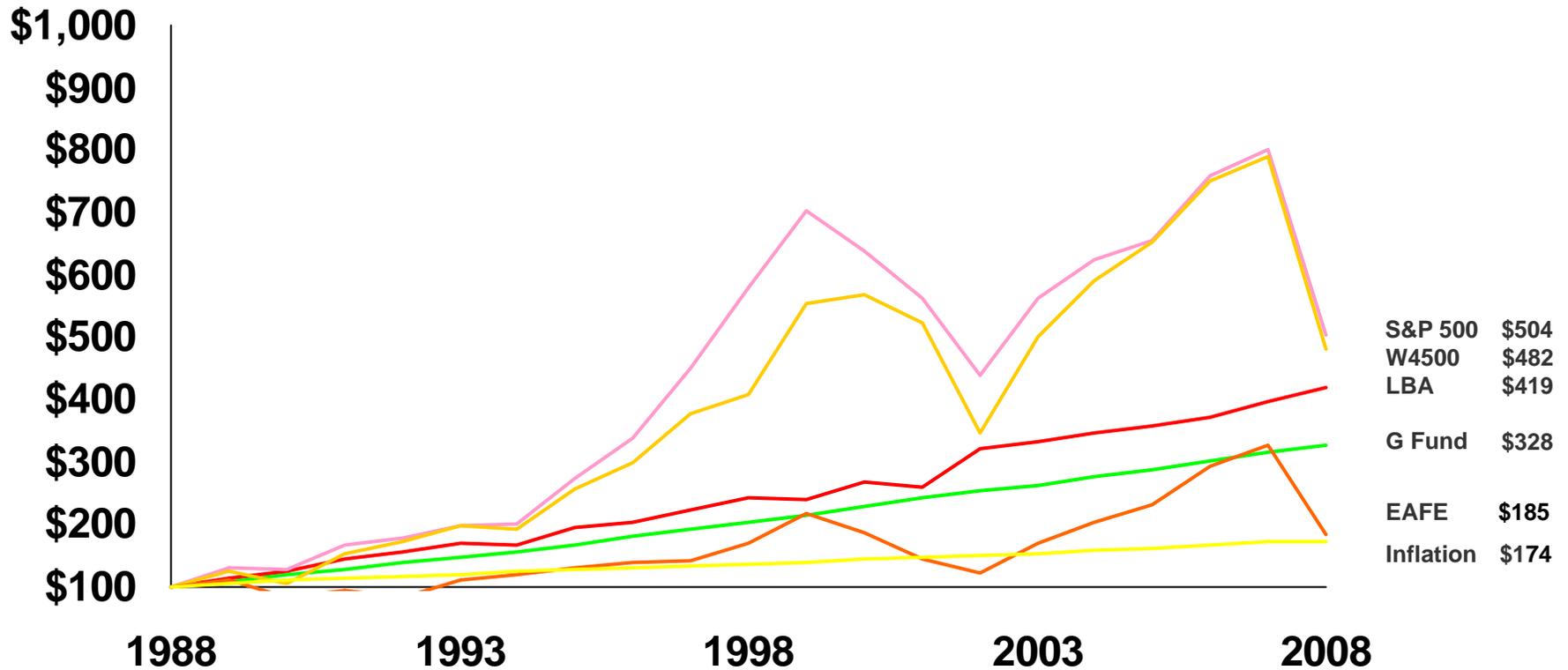
Allocation of Stock Market Value

December 31, 2008



Growth of \$100

1988 - 2008



TSP L Funds

- ◆ Goal is to provide the highest possible rate of return for the amount of risk taken
 - L Funds invest in professionally determined mixes of the G, F, C, S, and I Funds
 - Investment shifts to more conservative investment mixes as time horizons approach
- ◆ Designed for those who lack the time, interest, or expertise to make active investment decisions
- ◆ Investment in the L Funds does not protect participant from investment losses

TSP L Funds

- ◆ It's simple
 - Make one decision: When will you need your money?
- ◆ It's maintenance free
 - The L Funds adjust automatically
- ◆ It's low cost
 - No additional costs
- ◆ It's flexible
 - Transfer to individual TSP funds at any time

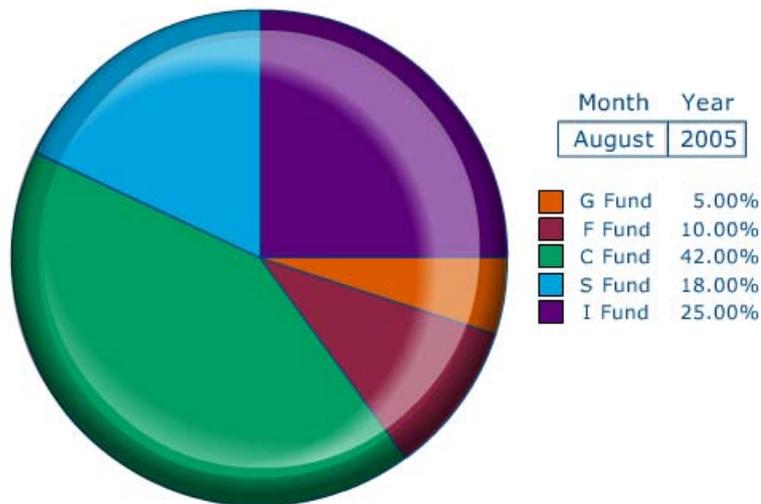
TSP L Funds

- ◆ The five Lifecycle Funds
 - L 2040 Fund
 - Time horizon 2035 and later
 - L 2030 Fund
 - Time horizon 2025 through 2034
 - L 2020 Fund
 - Time horizon 2015 through 2024
 - L 2010 Fund
 - Time horizon 2009 through 2014
 - L Income Fund
 - For those already or within 1 year of withdrawing their account

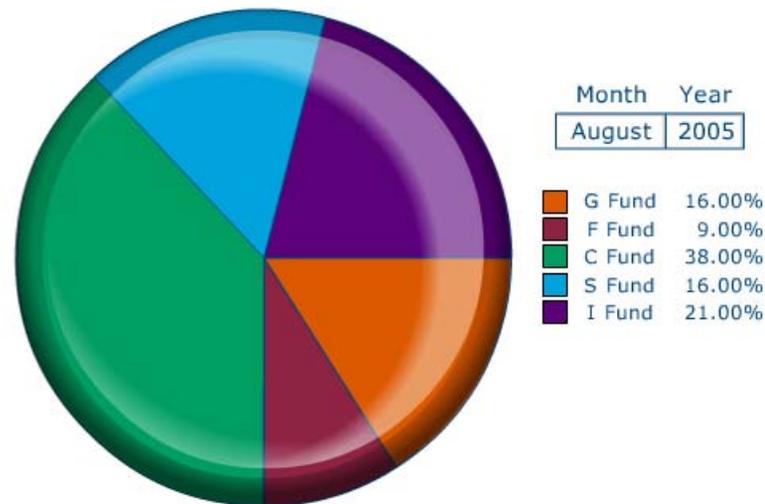
- ◆ In the year 2010, the L 2010 Fund will be incorporated into the L Income Fund, at that time the L 2050 Fund will be established

Initial L Funds Investment Allocation

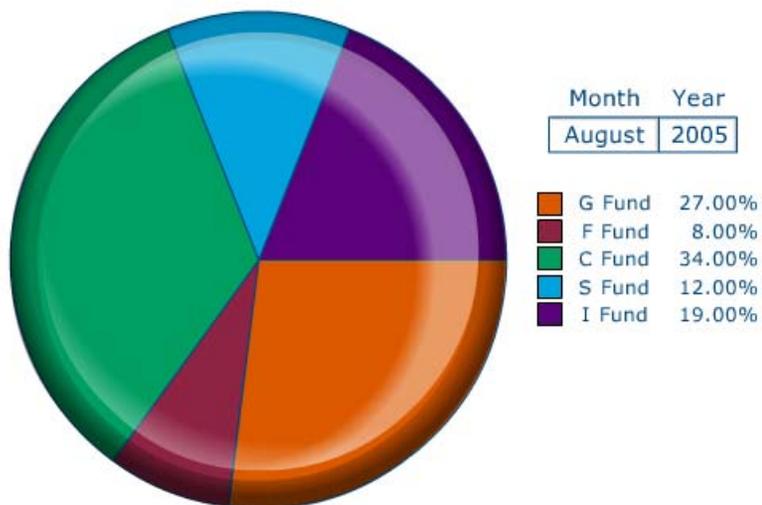
L 2040



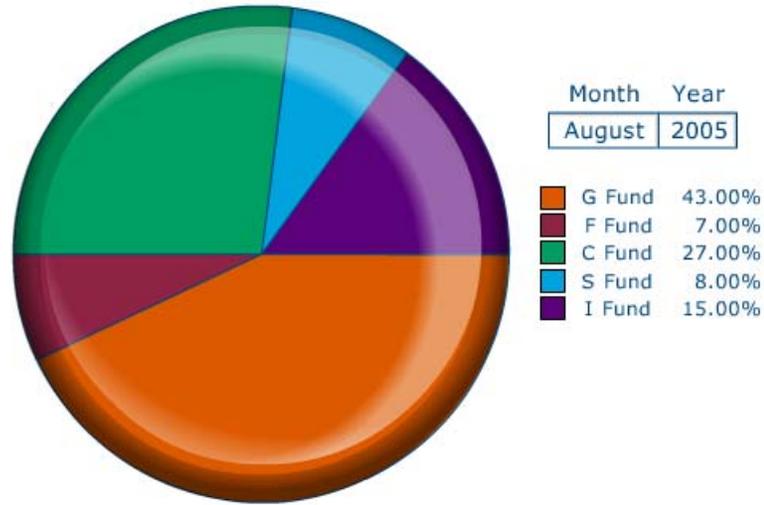
L 2030



L 2020

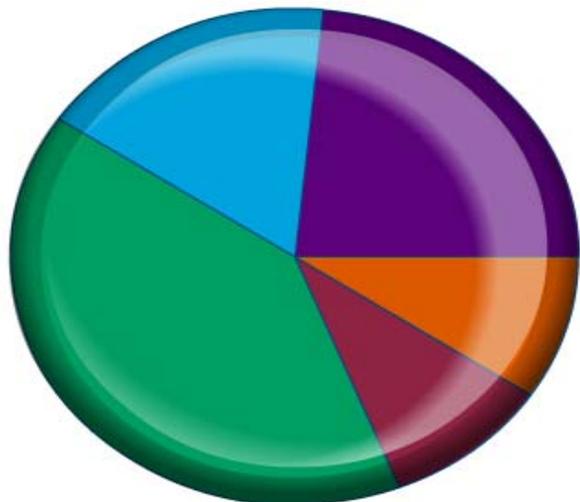


L 2010



L Funds Investment Allocation

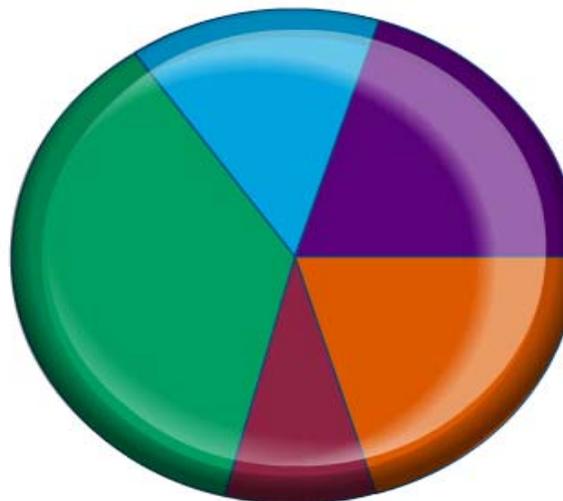
L 2040



Month	Year
July	2009

G Fund	9.40%
F Fund	9.60%
C Fund	40.40%
S Fund	17.20%
I Fund	23.40%

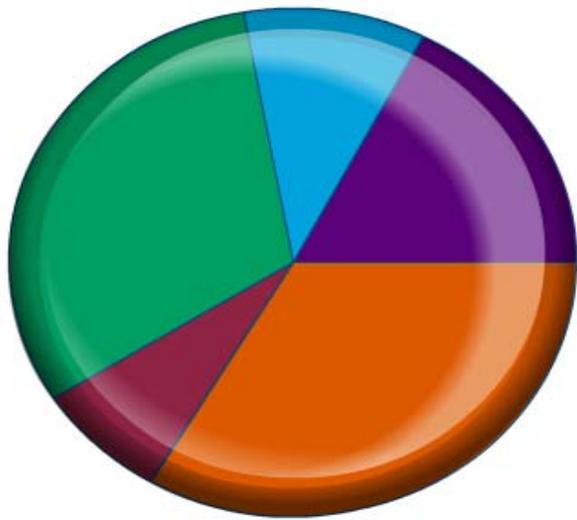
L 2030



Month	Year
July	2009

G Fund	20.40%
F Fund	8.60%
C Fund	36.40%
S Fund	14.40%
I Fund	20.20%

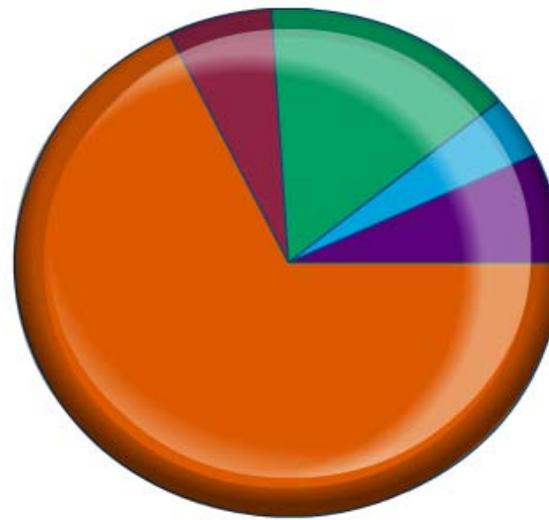
L 2020



Month	Year
July	2009

G Fund	33.40%
F Fund	7.60%
C Fund	31.20%
S Fund	10.40%
I Fund	17.40%

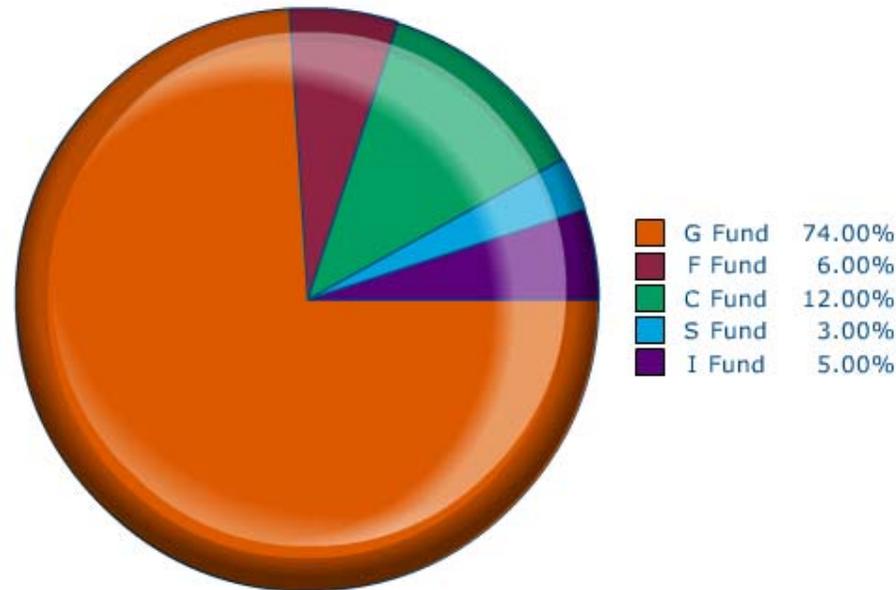
L 2010



Month	Year
July	2009

G Fund	67.80%
F Fund	6.20%
C Fund	15.00%
S Fund	4.00%
I Fund	7.00%

L Income Fund Investment Allocation



- ◆ When each L Fund reaches its target date, its distribution will match the L Income Fund investment and it will “roll into” the L Income Fund
- ◆ A new L Fund will be introduced when an L Fund reaches its target date
- ◆ For more information, go to the  section of the TSP Web site

TSP Participant Statements

- ◆ Quarterly statements available at the end of each quarter
 - Can be viewed and printed from the TSP Web site
 - First statement is mailed; subsequent statements available on the TSP Web site
 - Can be mailed if requested:
 - Call the Thriftline
 - Account access section of the TSP Web site

- ◆ Annual statements are mailed and are posted on the TSP Web site
 - Participant may opt out of mailed annual statement
 - Call the Thriftline
 - Account access section of the TSP Web site

The time period covered in this statement is here.

Please review this statement for accuracy . . . This space tells you whom to contact in case of errors on your statement.

If your name or address shown here is not correct, please contact your agency or service if you are active or the TSP if you are separated from service.

TSP Account Number: Your unique TSP number.
 Date of Birth: } Check to see if this information is correct.
 Retirement Coverage: }
 Employment Status: }
 Beneficiary Designation: Make sure your designation is current.
 Service Required for Vesting: For FERS only, the vesting requirement pertains to Agency Automatic (1%) Contributions.
 Legal Residence: For uniformed services members only.

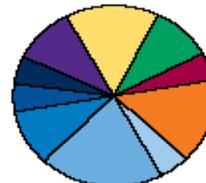
YOUR QUARTERLY ACCOUNT SUMMARY This summarizes the activity in your account during the quarter. Details begin on page 2.

TSP FUNDS	Beginning Balance (mm/dd/yy)	Contributions and Additions	Withdrawals and Deductions	Interfund Transfers	Change in Value from Previous Quarter	Ending Balance (mm/dd/yy)
Lifecycle Funds						
L 2040	This space shows your balance at the beginning of the quarter for each of your investment funds.	This space shows the dollar amount(s) that went into your account during the statement period.	This space shows the dollar amount(s) removed from your account during the statement period.	This space shows the net amount of money that went into, or came out of, a fund as a result of interfund transfers.	This space shows the gains and losses for each investment fund (and for your total account). It does not include additions and deductions shown in the previous spaces.	This space shows the balance in each of your investment funds at the end of the quarter.
L 2030						
L 2020						
L 2010						
L Income						
Individual Funds						
G Fund						This space shows your total account balance.*
F Fund						
C Fund						
S Fund						
I Fund						
Total						

*Your balance includes: This space shows the annual total of any catch-up contributions and the cumulative total of any tax-exempt money in your account.

How your future contributions and loan payments were allocated as of mm/dd/yy:

This space shows how you elected to invest your new contributions and loan payments at the end of the quarter.



How your ending account balance was distributed as of mm/dd/yy (see pie chart):

This space shows what percentage of your entire balance was in each of your investment funds at the end of the quarter. The information is displayed in the pie chart.

How your ending balance was distributed among the funds



TSP Web Site: www.tsp.gov
 THRIFTLINE: 1-TSP-YOU-FIRST (1-877-968-3778) • Outside the U.S. and Canada, call 404-233-4400
 TDD: 1-TSP-THRIFTS (1-877-847-4385)

Continued on reverse side

YOUR QUARTERLY LOAN SUMMARY Any loan activity is summarized in this section. Details begin in the "Transaction Detail by Source" section below.

Loan ID	Principal as of Beginning of Quarter	Amount of New Loan	Principal Repaid	Nontaxable Distribution	Taxable Distribution	Reversal of Taxable Distribution	Principal as of End of Quarter	Interest Paid	Interest in Arrears	Last Loan Payment
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You will see this section only if you have a loan or loans, and you will see only those columns and column headers that apply to your loan(s).

TRANSACTION DETAIL BY SOURCE This section tells you which source of money (i.e., employee, Agency Automatic (1%), or matching) is affected by each transaction during the statement period. Interfund transfers are not displayed in this section because they do not affect any particular source of money.

Payroll Office	Posting Date	Transaction Type	Employee	Agency Automatic (1%)	Matching	Total
For all these transactions which are reported by your payroll office, this identifies the payroll office.	This space shows the date on which the transaction affected your account.	This space shows the transaction that occurred on the posting date. If the transaction is followed by a date, that date shows when the transaction should have been reported to the TSP. Where applicable, earnings adjustments will also be shown.	 <p>For each transaction shown under Transaction Type, these columns show how much was deposited to or deducted from each source (i.e., employee, Agency Automatic (1%), or matching money).</p>			This space shows the total dollar amount of each transaction on the posting date.

TRANSACTION DETAIL BY FUND This section lists transactions for each fund in which you are invested. The transactions in the "Transaction Detail by Source" section (above) are repeated here, but displayed under the fund(s) that they affect.

Government Securities Investment (G) Fund

Posting Date	Transaction Type	Transaction Amount	Share Price	Number of Shares	Dollar Balance
This space shows the date on which a transaction was processed in your account.	This space shows the type(s) of transactions that occurred on the posting date(s).	This space shows the amount that was deposited to or withdrawn from the G Fund.	This space shows the value of each share of the G Fund on the posting date.	This space shows the number of shares purchased (or sold) for each transaction listed under Transaction Type.	This space shows your account balance for the G Fund at the beginning and the end of the quarter.

Note: If you have money in other TSP funds, the same categories of information shown here for the G Fund will be displayed for those funds as well.