

U.S. Department of Energy

OAK RIDGE OPERATIONS OFFICE

ANNOUNCEMENT

3830

April 14, 2005

SUBJECT: THRIFT SAVINGS PLAN OPEN SEASON – APRIL 15 – JUNE 30, 2005

The Thrift Savings Plan (TSP) open season begins April 15 and ends June 30, 2005. During this open season, you may begin contributing to the TSP or change the amount of your TSP contributions. You should give serious consideration to maximizing your TSP contributions. The TSP is an integral part of your retirement benefits, particularly for employees covered under the Federal Employees Retirement System (FERS). The earlier you begin to make contributions to the TSP, the more money you will have at the time of retirement. You are reminded that contributions to the TSP are tax deferred. Not only do you postpone paying taxes on your contributions to your TSP account, the earnings on your account are also tax deferred. This means you do not have to pay taxes on your TSP account earnings until you receive the money, thereby keeping more money invested and working for you.

During this open season, employees covered by FERS may elect to contribute up to 15 percent of the basic pay they earn each pay period; employees covered by the Civil Service Retirement System (CSRS) may elect to contribute up to 10 percent of the basic pay they earn each pay period. These percentages will continue to rise 1 percent annually until 2006 when percentage limitations will be eliminated, and employees will be restricted only by limitations imposed by the Internal Revenue Service.

The limit placed on contributions to the TSP by the Internal Revenue Service for 2005 is \$14,000. FERS employees whose salary exceeds \$93,333 per year should keep this limit in mind when deciding on the amount to contribute to their TSP account each pay period. FERS employees will only receive agency matching contributions on the first 5 percent of basic pay contributed each pay period, and employees who reach their annual limit before the end of the year will have their contributions and the agency matching contributions stopped. As a result, these employees will not receive the full amount of agency matching contributions they would have received if their own contributions had been slightly less each pay period but had continued over every pay period throughout the year. For detailed information on how to spread contributions over the entire year, see the TSP Fact Sheet, "*Annual Limit on Elective Deferrals*," at <http://www.tsp.gov/forms/ocfs91-13.pdf>.

Making a contribution election. If you are *not* currently contributing to TSP and wish to make a new contribution election, you should complete and submit Form TSP-1 (Election Form) to the Oak Ridge Office (ORO) Human Resources Division (HRD). Forms are available in the following locations:

ORO, Federal Building, Room 1221
Office of Scientific and Technical Information, Room 32
Pacific Northwest Site Office, Room K8-50
Y-12 Site Office, Room 6

DISTRIBUTION: TO ALL ORO, OSTI, PNSO, & YSO EMPLOYEES

No: 12

You may also obtain Form TSP-1 from the TSP web site at www.tsp.gov. Employees who have personal identification numbers through the Employee Self Service (ESS) feature of the Corporate Human Resources Information System (CHRIS) should make their changes through the ESS web site at <https://mis.doe.gov/ess/>. These changes include designating an amount or percentage to be contributed to the TSP per pay period and canceling TSP deductions.

Catch-up Contributions. If you are or will be age 50 or older during the calendar year and you are already contributing the **maximum** amount in regular TSP contributions, you can make additional catch-up contributions of up to \$4,000 in 2005. You can sign up for catch-up contributions at any time, but ***you must make a new election for each calendar year.*** To do this, use the ESS as described above.

Effective Dates of Elections. If your election is received by June 10, 2005, it will become effective in the pay period beginning June 12, 2005. These contributions will be reflected in your July 7, 2005 pay. If your election is made between June 12, 2005 and June 30, 2005, it will become effective the pay period following the election. Employees may stop TSP contributions at any time. Beginning July 1, 2005, open seasons will be eliminated and you will be able to change your TSP election at any time.

Making Investment Elections. You may invest in any of the five TSP investment funds. To understand your options, see "*Fund Information*" at <http://www.tsp.gov/cgi-bin/byteserver.cgi/forms/fundsheets-all.pdf>. To change the investment of future contributions to your TSP account, you must request a **Contribution Allocation**. You must request an **Interfund Transfer** to change the way previously invested funds are allocated. Requests for Contribution Allocations or Interfund Transfers entered by 11:00 am central time, each business day will generally be posted at the close of business on that day, and, in the case of Contribution Allocations, generally will affect the allocation of contributions and loan payments posted to your account that day. Requests made on a weekend, holiday, or other non-business day will ordinarily be posted at the close of business on the next business day. You may change or cancel a pending request up to the 11:00 a.m. central time deadline. After the deadline, a request for that day cannot be changed or canceled, but you may request a new Contribution Allocation or Interfund Transfer to be effective the next business day. To request a Contribution Allocation or an Interfund Transfer, use the TSP Web site (www.tsp.gov), the ThriftLine (504-255-8777), or Form TSP-50 (Investment Allocation). You may request a contribution allocation or interfund transfer at any time.

Obtaining More Information. The booklet, *Guide to TSP Investments*, describes the TSP in detail and contains more information about Contribution Elections, Contribution Allocations, and Interfund Transfers. The latest version of this booklet is dated August 2003. It can be viewed and printed from the TSP web site at <http://www.tsp.gov/cgi-bin/byteserver.cgi/forms/tspb03.pdf>.

Questions regarding the TSP should be referred to Cathy Clifton at (865) 576-0680 or Sherry Stotelmyer at (865) 576-0669.


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