

THRIFT SAVINGS PLAN (TSP)

End of the Year 2007

This DOECAST provides information for TSP elections at the end of the 2007 calendar year. During this time, employees may begin contributing to the TSP, change the amount of existing contributions, or stop their contributions.

Employee Self Service (ESS) should be used to start, change and stop contributions for the TSP and TSP Catch-up. This is a secure website. All eligible employees are able to make elections in ESS. Employees can access the ESS website at: <https://mis.doe.gov/ess>. Employees without internet access should contact their local servicing human resources office.

Elections for TSP and TSP Catch-up may begin as early as December 10, 2007, with contributions to TSP reflected as early as January 3, 2008, the first pay day in 2008.

Eligibility:

All employees who are currently on DOE rolls and who are contributing to a retirement system (i.e., CSRS, CSRS-offset or FERS) are eligible to contribute to the TSP. There are no waiting periods for employee contributions. However, the waiting period for agency contributions for FERS employees remains in place. The waiting period is determined by the date the employee was hired. See the chart below to determine the waiting period.

If you were hired: Your Agency Contributions will begin the first full pay period in:

June 1, 2007 — November 30, 2007	June 2008
December 1, 2007 — May 31, 2008	December 2008
June 1, 2008 — November 30, 2008	June 2009
December 1, 2008 — May 31, 2008	December 2009

Employee Contributions:

TSP no longer restricts employee contributions to a percentage of pay for CSRS or FERS employees. However, the Internal Revenue Service (IRS) limits for “elective deferrals” will still apply. The IRS “elective deferral” limit for 2008 is \$15,500.

With the elimination of percentage contributions, FERS employees must be careful to structure their withholdings so that they can continue to invest through the calendar year before reaching the IRS Limit of \$15,500. Personal contributions will end when the annual dollar limit is reached. This means that the matching agency contributions to FERS employees will also end. The agency provides matching contributions to FERS employee contributions up to 5% of the basic pay each pay period. The agency automatic 1% contribution would continue. The employee will receive an amount equal to 1% of their salary whether or not the FERS employees contribute their own money.

To avoid reaching the IRS Limit of \$15,500 within the calendar year, FERS employees should divide \$15,500 by 27 pay periods to produce a maximum contribution of \$575.00 per pay period. This amount would allow for contributions throughout the calendar year. Exceeding the dollar limit early is not a consideration for investors under CSRS, who receive no government contributions in any case.

Catch-up Contributions:

Thrift Savings Plan participants who are age 50 and over or who turn 50 by December 31, 2008, and are contributing the maximum, (i.e., contributions will result in reaching the IRS “elective deferral” limit of \$15,500 by the end of the calendar year) are eligible to make a supplemental tax-deferred contribution to the TSP. These “catch-up” contributions are in addition to regular TSP contributions. The maximum TSP Catch-up Contribution for 2008 is \$5,000.

Catch-up contributions will be taken as a payroll deduction from basic pay each pay period. Contributions will be invested in the TSP funds according to the most recent contribution allocation. Employees may change, stop, or restart catch-up contributions at any time. Contributions will automatically stop when the maximum dollar limit allowed for catch-up contributions for the year is reached. Employees must make a new election each calendar year if catch-up contributions are to continue. The Department does not match catch-up contributions.

Questions concerning the TSP should be directed to the servicing human resources office.

Questions concerning the use of Employee Self Service should be directed to ESSSupport@hq.doe.gov.