

THRIFT SAVINGS PLAN (TSP)

End of the Year 2006

This DOECAST provides information for TSP elections at the end of the 2006 calendar year. Employees do not need to change their election if they do not want to change their regular TSP contribution. However, employees who want to begin contributing, make changes to their existing contributions, or make “catch-up” contribution during 2007 can do so at this time. Elections for TSP and TSP catch-up may begin as early as December 11, 2006, with contributions to TSP reflected as early as January 4, 2007, the first pay day in 2007.

The Employee Self Service (ESS), which is a secure website, should be used to start, to change and to stop contributions for the TSP and TSP Catch-up. All eligible employees are able to make elections in ESS. Employees can access the ESS website at: <https://mis.doe.gov/ess>. Employees, who do not have internet access, should contact their local servicing Human Resources Office.

Although there is no longer a restriction on open season for employee contributions, the waiting period for agency contributions for FERS employees remain. If you have questions on the waiting period please speak to your servicing personnel office for assistance.

Limitation of Employee Contribution:

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 2007 is \$15,500.

In order to maximize matching contributions made by DOE, FERS employees who want to contribute the maximum to TSP should divide \$15,500 by 26 pay periods to produce a maximum contribution of \$597.00 per pay period. Employee contributions will end when the annual elective deferral dollar limit is reached. At that time, the matching contributions to FERS employees will also end. FERS employees receive a TSP contribution from DOE amount equal to 1% of their salary whether or not the FERS employees contribute their own money to TSP. Exceeding the dollar limit early is not a consideration for CSRS employees since CSRS employees do not receive matching contributions from DOE.

Catch-up Contributions:

Thrift Savings Plan participants who are age 50 and over or who turn 50 by December 31, 2007, 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 2007 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 your servicing human resources Office.

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