

November 14, 2007

SUBJECT: THRIFT SAVINGS PLAN

As we near the close of calendar year 2007, this is just a reminder that your contributions to the Thrift Savings Plan (TSP) are tax deferred. The earnings on your account are also tax deferred. The following information is provided to assist you in making your TSP Investments.

2008 Calendar Year Contribution. The 2008 limit placed on contributions to the TSP by the Internal Revenue Service is \$15,500. If you are covered by the Federal Employees Retirement System (FERS) you receive agency matching contributions on the first 5 percent of basic pay contributed each pay period. If you reach your annual limit (\$15,500) before the end of the year, your contributions and the agency matching contributions will be stopped. As a result, it is to your advantage to plan your personal contribution so that you do not exceed the \$15,500 limit next 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/cgi-bin/byteserver.cgi/forms/oc91-13w.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). You may 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 \$5,000 in 2008. FERS participants will not receive Agency Matching Contributions for their Catch-up contributions. You can sign up for the catch-up contributions at any time. Please note that a new election must be made each calendar year. To do this, use the ESS as described above.

Effective Dates of Elections. Your elections are effective the beginning of the pay-period in which they are entered. For example, if you make an election on November 20, 2007, it will be effective November 11, 2007 and will be deducted from your salary received on December 6, 2007.

Making Investment Elections. You may invest in any of the TSP investment funds (C, G, F, S, I, L2040, L2030, L2020, L2010, or L-Income). To change the way your future contributions are invested, you must request a Contribution Allocation. You must request an Interfund Transfer to change the way previously invested funds are allocated. These changes may be made at any time using the TSP Web site (www.tsp.gov), the ThriftLine (1-877-968-3778, Monday through Friday 7:00 am through 9:00 pm eastern time), or Form TSP-50 (Investment Allocation).

Online Security. For added security, the TSP now requires that participants enter a longer and more complex Web password when they log into Account Access. If you already had a TSP account when the new Web passwords went into effect, you will be prompted to either create your own password or request a computer-generated password. If you are a new TSP participant, you will receive your Web passwords in the mail after the TSP receives your first contribution. Passwords will not work with the Thrift Line. You must continue to use your TSP Personal Identification Number to access your account by telephone via the Thrift Line.

Obtaining More Information. The booklet, *Summary of the Thrift Savings Plan*, describes the TSP in detail and contains more information about Contribution Elections, Contribution Allocations, and Interfund Transfers. The current version of this booklet is dated August 2005 and can be viewed and printed from the TSP web site at <http://www.tsp.gov/cgi-bin/byteserver.cgi/forms/tspbk08.pdf>.

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



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