

U.S. Department of Energy

OAK RIDGE OFFICE

ANNOUNCEMENT

3830

September 18, 2008

SUBJECT: THRIFT SAVINGS PLAN

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. 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 or you wish to make a *change* to your current allocation, you should make your new election/changes through the Employee Self Service (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 \$15,500 in regular TSP contributions, you can still make additional catch-up contributions of up to \$5,000 during 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 October 17, 2008, it will be effective October 12, 2008 and will be deducted from your salary received on November 6, 2008.

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

(IFT) 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). Please note that as of May 1, 2008, a limit was imposed on the number of elections that may be made per month. For each calendar month, the *first two* IFTs 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 Government Securities Investment (G) Fund (which will increase the percentage of the account held in the G fund by reducing the percentage held in one or more of the other TSP funds). Also note that the transfer counts in the calendar month in which TSP processes it, not in the month it was submitted. This rule change does *not* affect contribution allocations.

Online Security. For added security, the TSP requires that participants enter a longer and more complex User ID when they log into Account Access. You may create a "Custom User ID" instead of the 13-digit TSP account number to access your account on the web site. To do this, log into Account Access using your account number and web password, at www.tsp.gov and then choose "Create/Modify Custom ID" from the Account Access menu. Your custom ID can be used only on the web site, together with your web password. 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 Account Number (and PIN) 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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