

How the TSP Is Changing

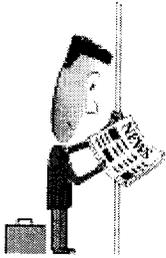
Before	Now
In General	
The TSP was a monthly valued plan. Transactions were processed once a month.	The TSP is a daily valued plan. Transactions are processed each business day.
Account balances and transactions were processed and shown in dollar amounts.	Account balances and transactions are processed and shown in dollar amounts, shares, and share prices.
The TSP issued participant statements twice a year, for the periods ending April 30 and October 31.	The TSP issues quarterly statements for the periods ending March 31, June 30, September 30, and December 31. Also, quarterly participant statements will be available on the Web site.
You could only contribute the maximum amount of regular contributions for which you are eligible within TSP and IRS limits.	Beginning in July, if you are age 50 or older and are contributing the maximum amount of regular contributions for which you are eligible, you may also elect to contribute "catch-up" contributions subject to their own annual limits. For elections made in July, contributions will begin in August.
Loans and Withdrawals	
If you have a loan, you received quarterly loan statements.	Loan information is instead included on your quarterly participant statements.
You had to repay a general purpose loan within 4 years.	You can take up to 5 years to repay a general purpose loan.
You could reamortize your loan only once.	You can reamortize your loan without limit.
You could repay a TSP loan at any time, but only in full with guaranteed funds. (Personal checks were not accepted.)	In addition to repaying your TSP loan through regular payroll deductions, you are also able to repay all or part of it at any time with a personal check.
Married FERS and uniformed services participants had to obtain their spouses' waiver or consent for all withdrawal requests (except the prescribed TSP annuity).	For any withdrawal requiring a spouse's waiver or consent, a FERS or uniformed services participant must have his or her spouse's signature notarized.
You could make a financial hardship in-service withdrawal if you were able to document financial need.	To make a financial hardship in-service withdrawal, you instead have to certify under penalty of perjury that you have a genuine financial hardship.
Only monthly withdrawal payments could be electronically deposited into your checking or savings account.	You can also have loan or withdrawal payments deposited electronically into your checking or savings account.
Withdrawals after separation from service had to be for your entire TSP account balance.	After you separate, you can also make a one-time partial withdrawal (if you have not made an age-based in-service withdrawal).
You could only make a post-employment withdrawal as either a single payment, monthly payments, or a life annuity.	You can use any combination of these same options to make a post-employment full withdrawal.
You could elect to receive monthly payments for a fixed dollar amount or for a fixed number of months, or you can have the TSP compute your payments based on your life expectancy. You could not change your election.	You can receive monthly payments for a fixed dollar amount or have the TSP compute your payments based on life expectancy. You can make a one-time change from TSP-computed payments to fixed-dollar-amount payments. Once a year, you can change the monthly fixed dollar amount you are receiving.
After separating from service, you would receive an automatic cashout if your account balance was \$3,500 or less, unless you chose another withdrawal option.	After you separate from service, you will receive an automatic cashout if your account balance is less than \$200. No other withdrawal options will be available.
Web Site and ThriftLine	
Both the TSP Web site and the ThriftLine provided general Plan information and allowed you to: find out your (monthly) account balance; make an interfund transfer; allocate future contributions among the five funds; change (or request) a PIN; find out the current loan interest rate; and learn the amount available to you for a loan.	On both the TSP Web site and the ThriftLine, you can also find out your daily account balance and daily share prices.
On the Web site, you could find out your outstanding loan balance and prepayment amount.	You can also find your outstanding loan balance and loan prepayment amount on the ThriftLine.
On the Web site, you could download TSP forms and materials.	On the Web site, you can also begin (and in some cases, complete)

You could also use interactive calculators to project a future account balance; to estimate annuity payments and loan payments; and to find out how much you could contribute per pay period without exceeding the elective deferral limit before the end of the year.

a loan or withdrawal request and reamortize a loan. You can either estimate the number of monthly withdrawal payments you will receive if you choose payments of a specified amount, or estimate the amount of your payment if you have monthly payments computed based on IRS life expectancy tables. If you are separated from service, you can also update your address.

On the ThriftLine, you can also request that certain TSP forms and publications be mailed or faxed to you.

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PREVIOUS EDITIONS OBSOLETE



Current Information

Press Release

OPERATIONS BEGIN UNDER NEW THRIFT SAVINGS PLAN RECORD KEEPING SYSTEM

Washington, D.C. (June 16, 2003) — The Federal Retirement Thrift Investment Board announced that its new daily valued Thrift Savings Plan (TSP) record keeping system went into production at noon today. Account histories for more than 3 million TSP participants have been migrated to the new database, while new contributions and loan payments made via payroll deduction since the beginning of June have been accepted, invested, and recorded in the new system. Other functions such as interfund transfers and the disbursements of loans and withdrawals will now be performed in the new environment.

The transition to the new record keeping system was the main topic at the regular monthly meeting of the Board members today, and was viewed by Chairman Andrew Saul and Executive Director Gary Amelio as both the achievement of a long-sought goal and the beginning of a new era of improved participant service. Saul congratulated the project management team led by the Board's Director of Automated Systems Larry Stiffler, as well as the contractor team led by Materials, Communication & Computers, Inc. (MATCOM) of Alexandria, Virginia. According to Saul, "When I and the other new Board members arrived last November, we and the remaining veteran Board members carefully reviewed the situation and concluded that the staff and contractor teams were capable of completing the task. Today we have learned that our confidence was well placed."

Amelio, who just this month began his service as Executive Director following a long career in the private sector, noted that the new system compares very favorably to what private sector plans offer to their participants. "The daily valuation, timely processing of interfund transfers, loans, and withdrawals, and efficient Web-based functionalities available in this system rank with the best of what other plans have to offer," Amelio stated. "When combined with the historically low TSP administrative expenses, those who voluntarily participate in the Plan will get the best of both worlds."

Civilian employees in all three branches of government as well as members of the uniformed services are eligible to participate in the Plan. As of May 31, 2003, balances on account in the five TSP investment funds available to the 3.1 million Plan participants totaled \$112 billion.

For the vast majority of employees, the new system simply means that the next time they want to request loans, or initiate interfund transfers or withdrawals, they will have additional options and use new forms or Web-based application processes. Requests will be processed each business day rather than once each month as has occurred in the past. Additional details about the new system benefits will be mailed to every Plan participant in June along with a close-out statement from the old system.

One group of participants — those who have requested loans or withdrawals since June 1 — will need to renew their applications using the new methods. The Board continued to accept the old forms so that pending requests could have been processed in the old system for payment in July if the decision to complete the transition to the new system had not been

