

SUBJECT: All CPF E-mail - TSP Open Season (15 Apr-30 Jun 04)

SENT: Wednesday, 14 Apr 04

The next Thrift Savings Plan (TSP) Open Season begins 15 Apr 04 and runs through 30 Jun 04.

During this open season, Federal Employees Retirement System (FERS) employees may contribute up to 14 percent of their basic pay and Civil Service Retirement System (CSRS) employees may contribute up to 9 percent of their basic pay, the same as last open season. The effective date of contribution elections made between 15 Apr and 12 Jun will be 13 Jun 04. Elections made 13 - 26 Jun will be effective 27 Jun, and elections made 27 - 30 Jun will be effective 11 Jul 04.

Attached is a copy of the recently released TSP Open Season Public Affairs article. Information is also available on the BEST Homepage under "What's New?" for Apr 04. A TSP Open Season article will also be included in the Apr 04 edition of the BEST Newsletter, scheduled for release within the next two weeks.

We appreciate your continued support.

Chief, Special Operations Division  
AFPC/DPCM

Attachment:  
Publicity Release - TSP Open Season

April 5, 2004  
Release No. 028

## **Air Force announces Thrift Savings Plan open season**

**AIR FORCE PERSONNEL CENTER** -- Civilian and military employees can sign up for, or change, their Thrift Savings Plan contribution amounts during the 'open season' Apr. 15 - June 30.

"TSP is a long-term retirement savings plan, which everyone should consider," said Senior Master Sgt. Felipe Ortiz, superintendent of the contact center here. "It's a great supplement to military and civilian retirement plans.

"It's also important to note that TSP is not limited to investing in stocks," said Sergeant Ortiz. "People can choose safer government securities as well."

This open season applies only to regular TSP contributions. It does not include TSP catch-up contributions, as they are not tied to open seasons, according to Janet Thomas, of AFPC's civilian benefits and entitlements service team.

TSP offers investors the chance for lower taxes each year they contribute while not having to pay taxes on earnings until they reach retirement.

"Eligible employees can take out loans and make in-service withdrawals from their TSP accounts," said Ms. Thomas. "And you can keep your account, even if you leave military or federal civilian service."

Investment money is deposited directly from each paycheck "so you never have to think about it," said Sergeant Ortiz. "That makes it easy to 'pay yourself first' while only investing what you deem appropriate."

The five TSP funds are: the Government Securities Investment (G) Fund; the Common Stock Index Investment (C) Fund; the Fixed Income Index Investment (F) Fund; the Small Capitalization Stock Index Investment (S) Fund; and the International Stock Index Investment (I) Fund.

"As with any individual retirement account, the sooner you begin contributing, the better," said Ms. Thomas.

Contribution elections/changes made between Apr. 15 and June 12 will take effect June 13, for both military and civilian personnel. Changes made on or after June 13 will become effective at the beginning of the pay period following the one in which the election is made for civilians and the following month for military.

Some of the specifics of the program include:

### **Military**

- Military members can contribute up to 9 percent of their base pay, as long as the annual total of tax-deferred investment doesn't exceed \$13,000 for 2004. Airmen also have the ability to invest all or part of their bonuses or special pay.
- Those serving in tax-free combat zones are allowed up to \$41,000 in annual contributions.
- Military members can enroll through the Defense Finance and Accounting Service web site at <http://www.dfas.mil/emss/>. They can also enroll by filling out a form TSP-U-1 at local military personnel flights, finance offices and family support centers.
- Contribution allocations (how an employee chooses to invest money among the five funds) can be made by calling the TSP automated ThriftLine at (504) 255-8777 or on the TSP web site at <http://www.tsp.gov/>. For general TSP questions, call the Air Force Contact Center at (800) 616-3775.
- Specific TSP information is available for Air Force military personnel at [http://www.afpc.randolph.af.mil/mpf/TSP/thrift\\_savings\\_plan.htm](http://www.afpc.randolph.af.mil/mpf/TSP/thrift_savings_plan.htm).

### **Civilian**

- Contribution limits are based on which retirement system an employee has. For the current open season, the following contribution rates apply:
- Federal Employees' Retirement System employees may contribute up to 14 percent of basic pay each pay period. Once eligible, the government provides matching funds of up to four percent as well as an automatic one percent each pay period, whether the employee contributes or not, making the government's contribution five percent.
  - Employees covered by the Civil Service Retirement System may contribute up to nine percent of basic pay, but do not receive any agency contributions.
  - The percentage FERS and CSRS employees may contribute will be restricted by the Internal Revenue Code's annual limit of \$13,000 this year, said Ms. Thomas.
  - Specific information is available for civilian employees from the Thrift Savings web site at <http://www.tsp.gov/> or the BEST homepage at <http://www.afpc.randolph.af.mil/dpc/BEST/menu.htm>.
  - All Air Force civilian employees will make their TSP contribution elections or changes through the BEST automated phone system at (800) 616-3775 or the Employee Benefits Information System (EBIS) web application at [www.afpc.randolph.af.mil/dpc/BEST\\_GRB/EBIS.htm](http://www.afpc.randolph.af.mil/dpc/BEST_GRB/EBIS.htm). Hearing impaired employees may contact BEST by calling TDD (800) 382-0893 or commercial 565-2276 within San Antonio, Texas. Overseas employees enter the AT&T Direct Access Number for the country they are calling from and then enter 800-997-2378. AT&T access instructions can be obtained from [http://www.att.com/business\\_traveler/guides\\_and\\_access/dialing\\_instr.html#outside](http://www.att.com/business_traveler/guides_and_access/dialing_instr.html#outside).
- Counselors are available weekdays from 7 a.m. - 6 p.m. Central Time.

-- Contribution allocations (how an employee chooses to invest their money among the five funds) are made by calling the TSP automated ThriftLine at (504) 255-8777 or on the TSP web site at <http://www.tsp.gov/>.

The Thrift Savings Plan has announced several changes to the loan program effective July 1. They are:

- A \$50 fee will be deducted from the amount of each new loan;
- Participants will no longer be able to have two general purpose loans at the same time. However, participants will still be able to have one general purpose and one residential loan;
- When participants pay off one loan, they will not be eligible to apply for another loan for 60 days.

More information about the Thrift Savings Plan can be found in the booklet "Summary of the Thrift Savings Plan" on the TSP home page under civilian or uniformed services TSP Forms and Publications.