



## **2012 Annual Report on Financial Literacy Efforts of the Federal Retirement Thrift Investment Board**

**February 8, 2012**

## **New Participant Statements**

We redesigned our quarterly and annual statements for 2012, incorporating numerous best practices in statement presentation and design. The redesigned statements display information on Roth TSP balances (for participants who have them), and provide participants with a wealth of information to help them make informed decisions with respect to managing their retirement investments. This includes the rates of return for the TSP funds, administrative expenses, personal rates of return, and vesting information, all in a user-friendly format.

## **Secure Message Center**

2012 saw the addition of a secure messaging feature to the TSP website ([www.tsp.gov](http://www.tsp.gov)). Participants can send their TSP investment questions electronically and receive a return message or a personal call within 24 business hours. Answers to the most frequently asked questions are posted to the message center for 24-7 access.

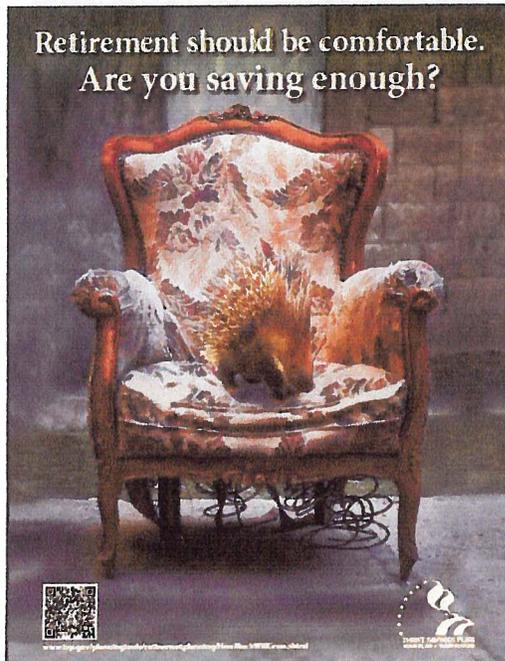
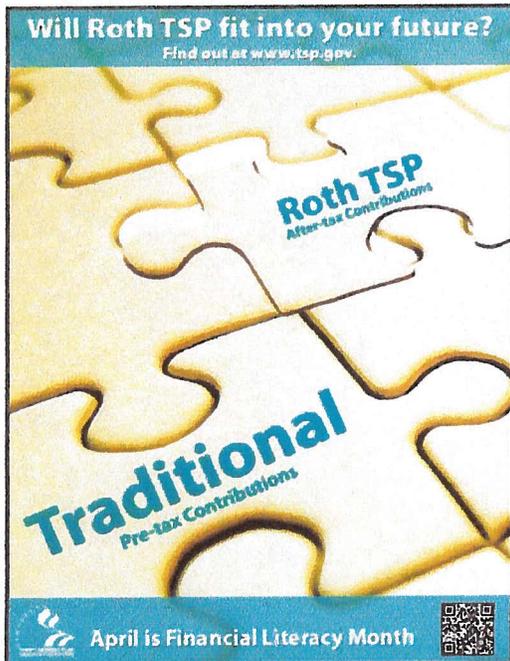
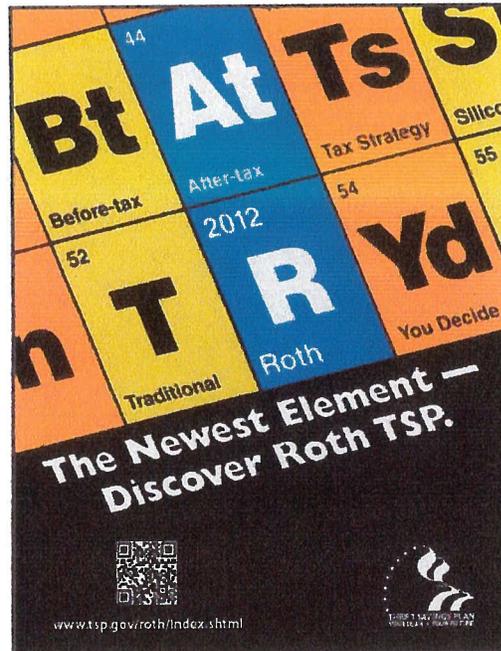
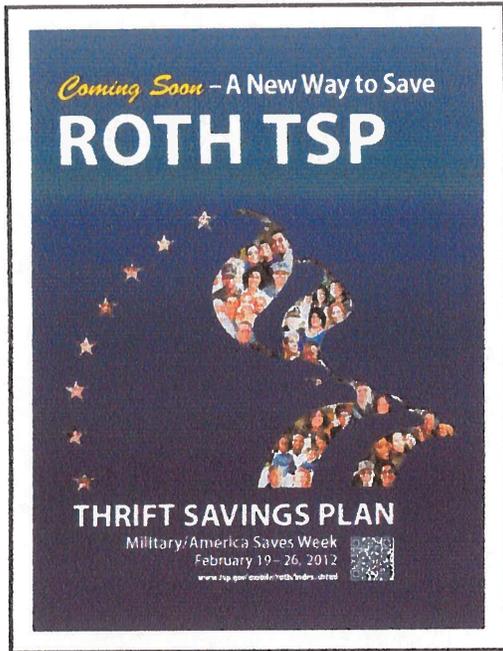
## **Interactive Form Wizards**

Interactive form wizards were developed on the website to walk participants through the completion of complicated withdrawal forms. As an alternative to completing a paper form, participants can access the withdrawal wizards through their accounts on the TSP website. The wizards walk participants through a series of questions and fill out the forms electronically. They even provide a customized checklist of what needs to be done to complete the forms and get them to the TSP.

## **Educational Materials in Print and on the Web**

The workhorses in the TSP educational arsenal are our print materials and the TSP website. The print products are distributed to employing agencies and services, and made available through our call centers and the TSP ThriftLine (877-968-3778). Participants can also view and/or download publications through our website. These products help participants fully understand the details of their TSP benefits and the consequences or risks of their choices. The TSP website offers informative articles, online calculators, and interactive pie charts along with information on share prices, historical returns, and administrative expenses to assist participants in making informed decisions about their retirement investments. A list of new or substantially revised educational materials issued in 2012 is enclosed at Appendix D.

Appendix A: New TSP Posters for 2012



## Appendix B: Sample Output from the Roth Contribution Comparison Calculator

### Contribution Comparison Calculator

[Introduction](#)
[How to use this tool](#)
3 Results

[Click to show fields](#)

### Your Results

#### Effect on Paycheck

You have chosen to keep the impact on your paycheck equal; therefore, your Roth TSP contribution percentage and contribution amount will be lower than a traditional TSP contribution. The downward adjustment to the Roth contribution is necessary to account for the income taxes that you pay up front instead of in the future.

	Traditional	Roth
Paycheck impact:	\$259.62 per check \$6,750.00 per year	\$259.62 per check \$6,750.00 per year
Contribution percentage:	15.0%	11.3%
Contribution amount:	\$346.15 per check \$9,000.00 per year	\$259.62 per check \$6,750.00 per year

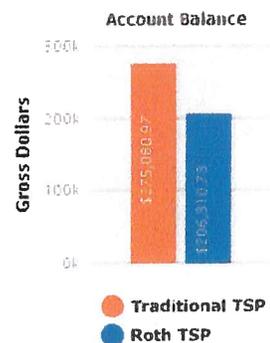
Additionally, Roth TSP contributions will not reduce your adjusted gross income (AGI) the way that traditional contributions will. A higher AGI means you may lose out on certain tax advantages.

#### Account Balance

You have chosen to keep the impact on your paycheck equal; therefore, your gross (pre-tax) traditional balance will be higher because the higher contribution percentage allows you to put aside a higher dollar amount and potentially receive a greater return through earnings.

The higher traditional balance may be offset, however, by any income tax you pay on it when you make a withdrawal. The Roth TSP balance, on the other hand, will be tax-free in retirement (provided you meet IRS requirements) because you paid the taxes on those contributions when you made them during your career.

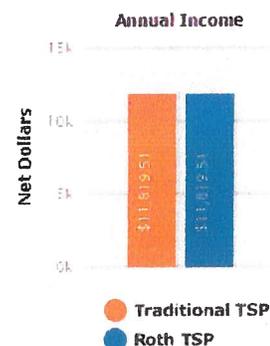
Predicting your tax bracket in retirement is the key to determining if Roth TSP or traditional TSP contributions are the right choice for you now.



#### Annual Income

This net (after-tax) annual income comparison provides a more accurate reflection of whether you might be better off paying taxes up front (Roth TSP) or when you withdraw your money (traditional TSP).

It all comes down to what tax bracket you are in now and which one you think you may fall in while in retirement. Therefore, you may wish to consult a tax advisor to assist you with your retirement planning and contribution decisions.



Appendix C: Menu Screen, [www.YouTube.com/TSP4gov](http://www.YouTube.com/TSP4gov)

The screenshot shows the YouTube channel page for the "Official Thrift Savings Plan Channel". The channel has 427 subscribers and 21,297 video views. The page is divided into a main video grid and a right-hand sidebar. The video grid contains six video thumbnails with titles, view counts, and upload dates. The sidebar includes an "About Official Thrift Savings Plan Channel" section with a description, the channel name "by TSP4gov", the date joined "Sep 4, 2012", and the country "United States".

**Official Thrift Savings Plan Channel**  427 Subscribers 21,297 Video Views

Featured Browse videos Search Channel

Uploads Playlists Feed View

**About Official Thrift Savings Plan Channel**  
The official YouTube channel for the Thrift Savings Plan (TSP), a retirement savings and investment plan for Federal employees and members of the uniformed services, including the Ready Reserve.

by TSP4gov  
Date Joined Sep 4, 2012  
Country United States

**10% Early Withdrawal Penalty Tax**  
3:56  
2,300 views · 4 weeks ago

**Roth TSP for HR Representatives**  
51:36  
850 views · 2 months ago

**After-tax contributions**  
7:24  
850 views · 2 months ago

**Is Roth Right for Me? (Civilian)**  
4:15  
332 views · 2 months ago

**How to Change Your Address**  
2:06  
1,935 views · 2 months ago

**Contribution Allocations and Inter**  
3:11  
435 views · 2 months ago

## Appendix D:

### New and revised TSP Materials - 2012

#### Annual Letter from the Executive Director

#### Highlights Newsletter

<u>Date</u>	<u>Title</u>
January/February 2012	Is Roth for You?
April 2012	Your Roth Questions Answered
July 2012	Your New Quarterly Participant Statement
October 2012	New TSP Tools and Materials

#### Military Saves Articles

<u>Date</u>	<u>Title</u>
April 2012	TSP Rolls Out Roth in May
May 2012	Roth TSP: More Questions and Answers
August 2012	Contribution Allocations and Interfund Transfers: What's the Difference?
November 2012	Tools You'll Want to Use from the TSP

#### YouTube videos:

Introducing Roth  
Is Roth Right for Me? (Civilian version)  
Is Roth Right for Me? (Uniformed Services version)  
How to Change Your Address  
Contribution Allocations and Interfund Transfers  
The 10% Withdrawal Penalty Tax

#### Posters

Spring 2012  
America/Military Saves Week  
Financial Literacy Month  
Fall 2012

#### Web content/communications changes to include:

Messages from the Executive Director  
Plan News  
Home page banners  
E-messaging service for members of the uniformed services  
E-messaging for civilian participants

#### Quarterly Participant Statements

#### Notices

<u>Notice Number</u>	<u>Notice Name</u>
GC/U 706	Refund of Catch-up Contributions Across Plans
JU 101	Form TSP-65 Confirmation (civilian to uniformed services)
JC 102	Form TSP-65 Confirmation (uniformed services to civilian—no tax exempt money)
JC 103	Form TSP-65 Confirmation (uniformed services to civilian—with tax exempt money)
JC/U 104	Form TSP-65 Rejection
LC/U 120	Taxable Distribution (reserved for Agency use only)
LC/U 401	Pending Taxable Distribution (default)
LC/U 403	Taxable Distribution
LC/U 404	Separated Participant with Outstanding Loan
LC/U 406	Pending Taxable Distribution Reminder for Default
MC/U 105	Required Minimum Distribution
MS 105	Required Minimum Distribution
MC/U 106	Required Minimum Distribution and G Fund Transfer Notice
TC/U 401	Confirmation for Funds Transferred to TSP
TC/U 402	Rejection for Funds Transferred to TSP
TC/U 403	Confirmation for Roth Funds Transferred to TSP

WC/U 101	Age-Based and Partial Withdrawal Confirmation
WS 101	Partial Withdrawal Confirmation for Beneficiary Participants
WC 103	Automatic Enrollment Refund Confirmation
WC/U 104	Financial Hardship Withdrawal Confirmation
WC/U 202	Annuity Estimate
WC/U 204	Withdrawal Rejection (hardship withdrawal)
WS 204	Withdrawal Rejection (full withdrawal--beneficiary participant)
WC/U 207	Withdrawal Rejection (full withdrawal)
WC/U 208	Withdrawal Rejection (age-based withdrawal)
WC/U 209	Withdrawal Rejection (partial withdrawal)
WC/U 301	Full Separation Withdrawal Confirmation
WS 301	Withdrawal Confirmation (beneficiary participant)
WC/U 400	Recalculation for Transfers into the TSP (dollar amount)
WC/U 401	Life Expectancy Recalculation
WC/U/S 402	Annual Notice to Change Amount of Monthly Payment
WC/U 403	Change in Monthly Payment Type
WS 403	Change in Monthly Payment Type
XC/U 401	Restoration of Abandoned Account Confirmation
XC 402	Restoration of Statutory Forfeiture

\* C=Civilian; U=Uniformed Services; S=Spouse (Beneficiary Participant)

#### Forms

<u>Form Number**</u>	<u>Form Name</u>
TSP-1	Election Form
TSP-U-1	Election Form
TSP-1-C	Catch-Up Contribution Election
TSP-U-1-C	Catch-Up Contribution Election
TSP-13-S-C	Spouse Election of Payment Method for Court-Ordered Payment
TSP-20	Loan Application
TSP-21-G	Loan Agreement (General)
TSP-21-R	Loan Agreement (Residential)
TSP-25	Automatic Enrollment Refund Request
TSP-26	Loan Payment Coupon
TSP-44	Refund of Excess Deferrals
TSP-60	Request for Transfer Into the TSP
TSP-60-R	Request for Roth Transfer into the TSP
TSP-65	Request to Combine Civilian and Uniformed Services TSP Accounts
TSP-70	Request for Full Withdrawal
TSP-70-A	Late Request for Full Withdrawal
TSP-72	Request for TSP Materials for Separated Participant
TSP-73	Change in Monthly Payment Amount
TSP-75	Age-Based In-Service Withdrawal Request
TSP-76	Financial Hardship In-Service Withdrawal Request
TSP-77	Request for Partial Withdrawal When Separated
TSP-78	Monthly Payments Maintenance
TSP-79	Change From Monthly Payments to Final Payment
TSP-81	Death Benefit Election for a Non-Spouse Beneficiary
TSP-90	Withdrawal Request for Beneficiary Participants

\*\* U=Uniformed Services version

*Many forms were redesigned such that certain versions could either be eliminated or collapsed into a single version.*

#### Booklets

<u>Booklet Number</u>	<u>Booklet Name</u>
TSPBK02	Withdrawing Your TSP Account After Leaving Federal Service
TSPBK04	Loans
TSPBK08	Plan Summary
TSPBK11	Court Order

TSPBK12	In-Service Withdrawals
TSPBK30	Managing Your Account
TSPBK31	Death Benefits: Information for Participants and Beneficiaries
TSPBK32	Managing Your Account for Beneficiary Participants
TSPBK33	Your TSP Account: A Guide for Beneficiary Participants

**Leaflets**

<u>Leaflet Number</u>	<u>Leaflet Name</u>
TSPLF13	How to Read Your Quarterly TSP Participant Statement
TSPLF15	Considering Your Next Move? TSP Withdrawals
TSPLF29	How to Read Your Quarterly TSP Participant Statement for Beneficiary Participants
TSPLF30	Roth: A New TSP Element

**Tax Notices**

<u>Tax Notice Number</u>	<u>Tax Notice Name</u>
TSP-536	Important Tax Information About Payments From Your TSP Account
TSP-537	Special Tax Withholding Rules for Thrift Savings Plan Payments to Nonresident Aliens
TSP-582	Tax Treatment of Thrift Savings Plan Payments Made Under Qualifying Orders
TSP-583	Important Tax Information About Thrift Savings Plan Death Benefit Payments
TSP-775	Important Tax Information About Your TSP Withdrawal and Required Minimum Distributions
TSP-776	Tax Information About TSP Withdrawals and Required Minimum Distributions for Beneficiaries
TSP-780	Tax Information for TSP Participants Receiving Monthly Payments

**Fact Sheets**

<u>Fact Sheet Number</u>	<u>Fact Sheet Name</u>
OC03-03	Catch Up Contributions
OC03-11	Your Shares in the TSP Funds
OC04-11	Nonpay Status Rules Chart
OC91-13	Annual Limit on Elective Deferrals
OC91-16	The Thrift Savings Plan and IRAs
OC94-20	Transfers From the Thrift Savings Plan to Eligible Retirement Plans
OC95-4	Effect of Nonpay Status on Your TSP Account
OC95-5	TSP Benefits that Apply to Members of the Military Who Return to Federal Civilian Service
OC95-10A	Bankruptcy Information--Petitions filed before October 17, 2005
OC95-10B	Bankruptcy Information--Petitions filed on or after October 17, 2005

## Appendix E: Representative Responses to TSP Training Sessions

### 8. What did you like best about this training? Why?

1. It was comprehensive, and included clear explanations of the new choices in TSP
2. Investing in the TSP.  
Give me an idea the best allocations of my money.
3. the Q&A
4. provided more understanding of the system
5. Very informative.Learned much. Will make changes do to what I learned.
6. The instructor was very engaging and easy to understand. The topics covered were all very important.
7. I liked the ability to ask questions during the training because allowed for more audience participation.
8. the instructor is absolutely fantastic: knowledge + ability to communicate
9. Covered both simple and complex aspects of TSP.
10. Options after retirement. I am close to retirement.
11. Always something new to learn about the TSP.
12. ability to ask questions
13. Instructor's knowledge and ability to communicate the topic and the importance of the plan.
14. The speaker knew his subject well and did a wonderful job at relaying the materials

*Employee comments, National Institute of Standards and Technology employee survey, September 2012*

## Thrift Savings Plan, June 13, 2012

### COMMENTS:

- Explained about all the funds great
- I wish he had gotten to the post-retirement options.
- It was useful to hear about the new Roth options.
- TOO LONG.
- I loved this presentation. Some insider information would have been incredible, but understandable the capacity of the presenter would not allow it.
- Outstanding info - solid presentation.
- Good speaker and good information.
- You must give him more time.
- He was VERY GOOD.
- Very good speaker, loads of information
- This was the most I've learned about TSP since I joined!The information was very good.
- speaker was excellent and managed to convey the information in an understandable manner.
- Good information.
- Probably provide a current print out of ones TSP holdings.
- Good information on the new Roth TSP option. Candid remarks appreciated. He seemed a bit rushed to deliver all points in his presentation. Perhaps allocate additional time for this topic.
- Most of the information provided can be found on the TSP Website.
- I'm still not sure about the Roth IRA program. I am under CSRS and have a TSP account with no matching funds from my employer.
- I did not understand most of what was presented. It seemed more geared to those quite conversant with financial planning terminology. As I am not, I did not get anything out of the presentation.
- this was okay but probably a little less honest than the ones you can get over lunch hour at Main State from the SDFCU because the guy represented TSP.
- Presenter did a great job and successfully towed the line between good points and "insider trading tips"
- The speaker answered participants' questions very well.I learnt something which I will apply in the future.
- Good overview, would have like more information on the new Roth but, time didn't permit.
- As with the FSPS presenter, this speaker knew his material, delivered it well, offered valuable counsel and insights, and stuck to the topic. Good session.
- Fantastic presenter.
- Great speaker/presenter. I made immediate changes to my TSP account and long-term planning because of this presentation.

*Employee comments, Foreign Service Institute employee survey, June 2012*

Date: 10/25/2012 05:50 PM  
Subject: TSP Training

Dear Emma and Alain,  
Thank you so much for inviting Kelly and I to the TSP training today. Both sessions were extremely helpful. This trainer's seminars were the most knowledgeable I've seen on the subject. At some point, we plan to invite him to the Court of Appeals. When we do, we hope to return the favor.  
Best, [REDACTED]

**To Whom It May Concern:**

The Transportation Security Administration (TSA) would like to extend our appreciation to [REDACTED] for presenting "TSP at a Glance" briefings held on November 20, at TSA HQs, in Arlington, VA.

Approximately 100 employees attended the briefings and we have received a lot of positive feedback from our employees! Employees are already asking when we will invite a representative back for 2013.

Thank you so much for making time on your schedule to visit and share valuable TSP information. We appreciate you coming and are looking forward to seeing you next year during our annual Financial Education Fair on April 30 (if you are available)!

Sincerely,

[REDACTED]  
for [REDACTED]  
Deputy Program Manager  
Benefits and Work Life Programs  
Office of Human Capital

*Agency feedback from TSP briefing sessions*

## **2012 TSP Participation in Conferences and Benefits Fairs**

In 2012, the Federal Retirement Thrift Investment Board (Agency) attended and/or actively participated in a total of 25 conferences and Federal Benefit fairs. A total of 16 sessions supported the Federal civilian sector, 2 supported the U.S. Postal Service union workers, and 8 events were in support of the Department of Defense and the remaining uniformed services. Of the 16 events supporting the Federal civilian sector, we attended 5 conferences sponsored by employee organizations such as Blacks in Government (BIG) or Federally Employed Women (FEW). For reference, the 25 events attended are part of the 472 TSP training events conducted in 2012 by the Agency.

With regards to the cross-over outreach, the conferences sponsored by Federal employee organizations along with DoD sponsored events allowed the Agency to reach out to both Federal civilian employees and members of the uniformed services in attendance.

### **Federal Civilian Program Benefits Fairs, Training or Conferences- 16**

Includes:

#### **Federal Agency Benefits Fairs, Conferences or Training Events- 11**

OPM Conference  
Financial Literacy Fair  
Financial Fair  
Federal Railroad Administration  
University of Maryland Financial Fair  
TSA  
OPM Fall Festival  
Department of Homeland Security  
Department of Veterans Affairs  
Department of Transportation  
National Institute of Standards

#### **Federal Employee Organization Annual Conference- 5**

Blacks In Government (BIG), Exhibit & Brief  
Society of American Indian Government Employees (SAIGE)  
27<sup>th</sup> Federal Asian Pacific American Council National Conference  
Federally Employed Women (FEW)  
National Image Conference

## **Postal Union Conferences- 2**

Includes:

National Association of Letter Carriers  
National Rural Letter Carriers Association

## **Uniformed Services Conferences and Forums- 8**

Includes DoD sponsored events and DoD affiliated organizations that support the uniformed services.

### **Military Organization Annual Conferences- 8**

AFCEA/USNI Western Conference  
NG Bureau's Military Saves  
Joint Base Myer Henderson  
DoD Military Saves Week  
Navy League (Sea-Air-Space)  
Modern Day Marine  
Association for Financial Counseling and Planning Education  
Association of the US Army