



News Release

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TSP makes changes and offers new options

(Aberdeen Proving Ground, Md.) -- Significant changes are underway for appropriated - fund federal employees investing in the Thrift Savings Plan (TSP). According to rules recently proposed by the Federal Retirement Thrift Investment, which administers the TSP, several changes will be in-place next month.

The proposed rules implement a Board decision to transfer the processing of contribution allocations from the Army Benefits Center-Civilian to the TSP record keeper on May 1.

"Employees wishing to shift money among the investment funds **must** contact the TSP Web site at <http://www.tsp.gov>, or call the ThriftLine, an automated telephone service, at (504) 255-8777," said Kathy Cole, chief of ABC-C.

Now, participants will need their TSP Personal Identification Number (PIN) more than ever. To make direct inquiries into one's TSP account via the Web or telephone, and reallocate funds from one fund to another, one must have a PIN.

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Participants can elect any number of contribution allocations, but only one allocation can be effective during a given business day. Employees can use the electronic media (TSP Web site or the ThriftLine) or TSP Form 50, Investment Allocation, to reallocate their contributions.

"The new Investment Allocation form will be sent to each Civilian Personnel Advisory Center. Employees using this format **must** use an original form, as it will not be downloadable from the Web site," Cole said. "Because the changes will not be made effective until two days after the Thrift Investment Board receives them, it is strongly recommended that employees use the electronic media versus the hard copy form."

The TSP open season begins May 15 and ends July 31. To enroll in TSP or change their current TSP deduction civilian employees must contact the ABC-C by accessing the Web site at <http://www/abc.army.mil>. or by calling 1-877-ARMY CTR (1-877-276-9287)

Employees may use either system from any location 21 hours a day, 7 days a week to access information regarding the TSP. Those needing assistance can transfer to one of the benefit counselors via the telephone system, Monday-Friday, 6 a.m.-8 p.m., Central Time. They can walk employees through any troubles they may encounter.

With the open season, TSP participants also can invest in two new stock-based funds, which will allow savers to diversify their investments. These are the 'S' Fund, a small cap fund which tracks the Wilshire 4500 Index and the 'I' Fund, an international stock that tracks the Europe, Australian and Far East stock index.

Currently, there are three funds to choose from. The funds run the gamut of safe -- the G Fund invests in special government bonds --to riskier investments -- the C Fund tied to the stock market. There is also an F Fund for investing in commercial bonds.

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On Dec. 21, 2000, former President Clinton signed the Consolidated Appropriations Act for Fiscal Year 2001. The law contains a provision that increases incrementally the allowable contribution to the TSP for appropriated-fund employees.

The TSP will implement the statutory change with the May open season. FERS employees can contribute up to 11 percent of their basic pay; and CSRS employees can contribute up to 6 percent of their basic pay.

During the fall open season Nov. 15, 2001 - Jan. 31, 2002, FERS employees can contribute 12 percent of their basic pay; CSRS employees can contribute up to 7 percent of their basic pay. Elections to begin or change TSP contributions made during open seasons will be effective the first pay period in July or January. The total amount that employees may contribute to the TSP each year will continue to be capped by the Internal Revenue Service. For 2001, the annual TSP limit is \$10,500.

Maximum contributions for both FERS and CSRS employees would increase one percent each year until 2005, at which time the only contribution limit will be the one imposed by the IRS.

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