



Tips and Tricks: TSP

Invest in your future!

What is the Thrift Savings Plan (TSP)?

- A long-term retirement saving and investment plan for government/federal service employees similar to 401(k) plans offered in the private sector.

Do I have a TSP account?

- If you joined PHS (with no prior service) **on or after January 1, 2018:**
 - You are automatically enrolled in the new retirement system called the “Blended Retirement System” (**BRS**).
- If you began or rejoined federal service between August 1, 2010 and September 30, 2020, **AND** opted into the **BRS**:
 - You were automatically enrolled at **3%** of your base salary for contributions to your TSP which are deducted from your paycheck every pay period
 - This is deposited into the traditional balance of your TSP account (unless you made a contribution election to stop or change contributions).
- If you joined PHS **after October 1, 2020:**
 - You were automatically enrolled in the TSP and **5%** of your base salary for contributions to your TSP which are deducted from your paycheck every pay period
 - This is deposited into the traditional balance of your TSP account (unless you made a contribution election to stop or change contributions).
- There is a waiting period before you are automatically enrolled in TSP upon joining the service- you must have served **60 days** before you are enrolled.
 - After the 60 days, all members are enrolled in TSP and will receive an automatic government contribution of **1%** of base pay into their account monthly.
 - The 1% contribution is automatic - you don't have to put any of your own money in to receive it.

How can I start, change, or stop contributions?

- You may start, change, or stop contributions at any time.
 - For PHS, you need to fill out this paper form: <https://www.tsp.gov/forms/tsp-u-1.pdf> (which is specifically for uniformed service members)
- If you stopped contributions during the current year, you are automatically re-enrolled at 5% of your basic pay on January 1 of the following year.
- You do NOT get the FULL match by your agency if you contribute less than 5%.

Where can I find and manage my TSP account?

- You can manage your TSP savings online by setting up access to *My Account* on the TSP website:
 - <https://www.tsp.gov/>



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- You need your TSP account number and web password for your first login.
- You will receive the needed TSP documents in the **mail** after your first paycheck:
 - 1. **Account number**, 2. **Web password**, 3. **ThriftLine Personal ID Number (PIN)**
 - Each will arrive separately.

What type of contributions are there?

- You can make traditional contributions, Roth contributions, or both.
- **Traditional TSP (pre-tax)** contributions - allow you to delay paying taxes on your contributions and their earnings until you withdraw them.
 - You will pay taxes on your contributions/earnings at the income tax rate of the year you make the withdrawal. ○ If you expect your tax rate to be lower when you make withdrawals, traditional TSP may be the better option.
- **Roth TSP (after-tax)** contributions - you pay taxes on your contributions as you make them at your current income tax rate (unless you're making contributions from tax-exempt pay).
 - Advantage - you will not pay taxes later when you withdraw contributions/qualified earnings as long as you meet certain IRS requirements:
 - 5 years have passed since January 1 of the calendar year when you made your first Roth TSP contribution.
 - **And** you are at least age 59½, permanently disabled, or deceased.
 - If you expect your tax rate to be higher when you make withdrawals, Roth TSP may be the better option.
- **BOTH:** Roth TSP & traditional TSP
 - You may consider splitting contributions.
 - Please **note:** if you receive "matching" contributions, they will always go into your traditional TSP balance and cannot be converted to Roth.
- Please advise: a **Roth TSP is not a Roth IRA!**
 - The *Roth IRA* has *income limits* to be able to contribute; a *Roth TSP* does not.
 - If filing single, individuals can only contribute to Roth IRA if their Modified Adjusted Gross Income (MAGI) is less than \$144K (for 2022 tax year).
 - If married filing jointly, couples can only contribute to Roth IRA if their combined Modified Adjusted Gross Income (MAGI) is less than \$214K (for 2022 tax year).

Are there contribution limits?

- Yes! The IRS puts limits on how much you can contribute, and this varies year-by-year.
 - Knowing this limit helps you decide how much you can put away each year.
- This limit does **not** include matching contributions that you receive from your agency/service.
- Unless you are already maxing out your contributions, consider increasing them until you receive the maximum benefit.
- The TSP website has a calculator you can use - "[How much can I contribute?](#)"



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2022 TSP Contribution Limits

Elective Deferral Limit	Catch-up Limit	Annual Addition Limit
\$20,500	\$6,500	\$61,000
Maximum amount members can contribute from their pay to their TSP	If you are turning 50 this year - you have opportunity to make additional contributions above the “Elective Deferral Limit”.	The total amount of all the contributions you make in a calendar year
Applies to both traditional and Roth accounts	This provides a chance to put away extra money for retirement (even if you are not considered “behind”).	The total amount of all the contributions you make in a calendar year
-	-	This limit is per employer and includes money from all sources: Employee Contributions (tax-deferred, after-tax, and tax-exempt), Agency/Service Automatic (1%) Contributions, and Agency/Service Matching Contributions
-	-	It does not include catch-up contributions.

What types of Funds can I invest in?

- **Lifecycle (L) Funds**
 - Simple, low maintenance investing by using a mix of the five core individual TSP funds (G, F, C, S, and I) individual TSP funds
 - You are automatically enrolled in the “Lifecycyle (L) Fund” that is most appropriate for your age
 - Balance, risk, and reward that automatically get more conservative as you get closer to retirement
- **Individual Funds**
 - Offer broad market diversification (G, F, C, S, I Fund).
 - You can choose from a short-term U.S. Treasury security to index funds made of domestic and international stocks
- **View Rates of Return:** <https://www.tsp.gov/fund-performance/>

Check out these Free TSP webinars at:

[Online learning | Thrift Savings Plan \(tsp.gov\)](#)