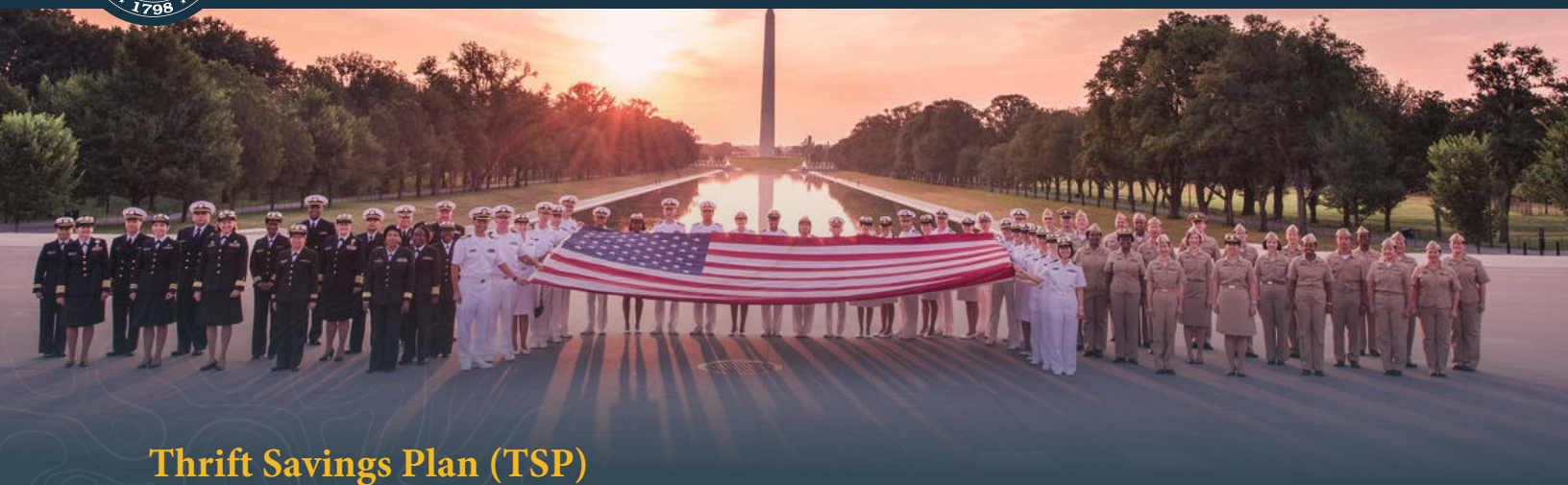
U.S. PUBLIC HEALTH SERVICE
COMMISSIONED CORPS



# Thrift Savings Plan (TSP)

The Thrift Savings Plan (TSP) is a retirement savings and investment plan. The retirement income one receives from their TSP account depends on how much money put into it while working and the earnings accumulated over time. The participant makes investment decisions and bears the risks. Even if uniformed service participants plan to qualify for a pension at 20 years, contributing to the TSP provides additional savings and investment opportunities.

# Mid-Career Officers TSP Optimization

As a mid-career officer, now is the time to reassess and confirm whether your savings rate, risk exposure, and long-term expectations still align with your retirement goals. If you haven't starting saving for retirement, it's not too late to start, no matter which retirement system you are in, Blended Retirement System (BRS) or High 36. Since retirement is closer than earlier in your career, it's probably easier to estimate what retirement will cost. Mid-career investing should be more intentional and fit your expected needs. Make changes to your strategy only after careful considerations.

- **Things to consider for your savings rate:**
  - Determine your current income and how much you expect to earn in retirement.
  - How much do spend to yearly to maintain your lifestyle?
    - Some expenses may decrease in retirement while others may increase (e.g., travel or hobbies)
  - How's your progress toward eliminating high-interest debt?
  - If you're in the BRS, it's recommended to contribute at least 5% of your basic pay to maximize Agency matching.
  - If you're in the High 36, it's recommended to contribute up to $24,500 for the year 2026.

  ***What to decide now:*** Decide how much you want to contribute and whether you need to use the catch-up option (age 50+; additional $8,000)

- **Things to consider for your risk exposure:**
  - How much stock exposure are you willing to risk?
  - Adjusting TSP fund contributions based on where you are in your career

  *What to decide now:* Decide whether you want to redistribute your contributions to less risky funds given where you are in your career/age. For example, those 35-50 years old may want to consider a moderate growth strategy: 60% C Fund, 15% S Fund, 15% I Fund, 10% F Fund, **or** L2050/2055.

- **Things to consider for your long-term expectations:**
  - What's your current and expected future tax bracket?
  - Does your retirement vision include lots of travel or other high-cost activities?

  *What to decide now:* Decide whether to contribute more to Traditional or Roth TSP now. If you expect to be in higher tax bracket at retirement, consider the Roth TSP.

## Resources

- About the TSP: https://www.tsp.gov/about-the-thrift-savings-plan-tsp/
- Investing Strategies: https://www.tsp.gov/investing-strategies/
- Fund Information: https://www.tsp.gov/publications/tsplf14.pdf?TSP-LF-14
- Retirement Planning Tools: https://www.usa.gov/retirement-planning-tools