

**For:** FFAS Employees

**Announcing Thrift Savings Plan (TSP) Open Season**

**Approved by:** Deputy Administrator, Management



**1 Overview**

**A Background**

During the TSP open season, eligible employees may start, stop, increase, or decrease the amount of contributions to their TSP account.

**B Purpose**

This notice announces the TSP open season being held from October 15, 2004, through December 31, 2004.

**2 Eligibility**

**A Employees Eligible to Participate**

The following employees are eligible to participate in TSP:

- employees in a retirement covered position
- employees who stopped their TSP contributions during the previous open season and want to restart contributions
- employees who stopped their TSP contributions outside of an open season before April 15, 2004, and want to restart contributions.

**Disposal Date**

January 1, 2005

**Distribution**

All FAS, FSA, and RMA employees; State Offices relay to County Offices

2 Eligibility (Continued)

**B Agency Contributions and Matching Funds**

Employees covered by the Federal Employees' Retirement System (FERS) and the Foreign Service Pension System (FSPS) are eligible to receive an automatic Agency 1 percent and Agency matching contributions beginning December 12, 2004, if first hired before April 15, 2004, and were not previously eligible to receive Agency contributions.

**Note:** Employees who were previously eligible to receive Agency contributions are not required to serve another waiting period to receive Agency contributions, but should receive them immediately upon entry to a retirement covered position.

If FERS/FSPS employees elect to contribute, they will receive matching contributions at the rate of a dollar for dollar on the first 3 percent of their contribution and 50 cents on each dollar for the next 2 percent. Eligible employees will receive the automatic Agency 1 percent regardless of whether they contribute to TSP.

Civil Service Retirement System (CSRS) and Foreign Service Retirement and Disability System (FSRDS) covered employees are not eligible for Agency contributions.

**C Contribution Limits**

The amount of TSP contributions that may be contributed each pay period must be specified as a percentage of basic pay or a whole dollar amount. If a dollar amount is specified, it cannot exceed the maximum percentage amount allowed as follows.

FERS/FSPS Limit	CSRS/FSRDS Limit
15 percent	10 percent

**Note:** Employees age 50 and over who wish to make TSP catch-up contributions for tax year 2005 (up to \$4,000) **must be** contributing either the TSP limit above or a dollar amount that will result in them reaching the elective deferral limit described in subparagraph D.

**D Internal Revenue Service (IRS) Elective Deferral Limit**

The total amount that an employee may elect in regular TSP contributions each year is capped by an IRS elective deferral limit. The elective deferral limit for tax year 2005 is \$14,000. The TSP system **will not** process a contribution that will cause the total amount of regular TSP contributions to exceed the elective deferral limit for the tax year.

However, employees eligible for catch-up contributions may elect to contribute up to an additional \$4,000 in tax year 2005. Tax year 2005 withholdings begin with the salary for pay period 25 of leave year 2004 and **will end** with pay period 24 of leave year 2005.

**2 Eligibility (Continued)**

**E TSP Investment Funds**

Eligible employees may invest all or any portion of their future TSP contributions in any of the following 5 investment funds:

- C Fund, Common Stock Index Investment Fund
- G Fund, Government Securities Investment Fund
- F Fund, Fixed Income Index Investment Fund
- S Fund, Small Capitalization Stock Index Investment Fund
- I Fund, International Stock Index Investment Fund.

Allocation of contributions among the 5 investment funds may be made in 1 percent increments. See the TSP Summary Booklet for more information on the investment funds.

**F How to Allocate Investment Funds**

To allocate contributions among the 5 investments funds, employees should:

- access the TSP Toll-Free Thriftline at 1-877-968-3778, using their TSP PIN
- use the TSP website, <http://www.tsp.gov>, using their TSP PIN
- complete an original TSP-50 (copies are **not** accepted) and mail directly to TSP.

A change in the allocation of future contributions may be done at anytime using 1 of the methods in this subparagraph. Using the TSP website is the most efficient way and highly encouraged.

**G Employees Not Contributing to TSP**

FERS/FSPS employees who are not contributing to TSP, but are receiving the Agency automatic 1 percent contribution, may invest all or any portion of the Agency automatic 1 percent contribution in any of the 5 investment funds using 1 of the methods in subparagraph F.

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### 3 Materials

#### A Open Season Materials

Employees interested in more information about TSP may request the following materials from their servicing personnel office (SPO) or download them from the TSP website at [www.tsp.gov](http://www.tsp.gov):

- TSP-1, TSP Election Form
- TSP-3, TSP Designation of Beneficiary
- TSP-50, TSP Investment Allocation (**original forms only, copies not accepted**)
- TSPBK08, Summary of the TSP for Federal Employees
- TSP Open Season Update.

**Note:** NFC provides all eligible employees with the TSP Open Season Update in their AD-334.

### 4 Making an Election

#### A Making a TSP Open Season Election or Change

To make a TSP election or change in contribution amount, employees are encouraged to process TSP-1 through the NFC Employee Personal Page (NFC-EPP) using the EPP PIN. Do either of the following:

- using Internet Explorer, log-on to <http://www.nfc.usda.gov>
- complete TSP-1 and submit it to SPO.

**Note:** If processing a change using NFC-EPP, TSP-1 should not be sent to SPO.

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**5 Effective Dates and Monthly Rates**

**A Effective Date of Election**

The following are the effective dates of open season elections.

<b>IF TSP-1 is entered into NFC-EPP or received in SPO...</b>	<b>THEN the effective date is...</b>
before December 12, 2004	December 12, 2004 (pay period 25).
after December 12, 2004, but before December 26, 2004	December 26, 2004 (pay period 26).
After December 26, 2004, but before January 1, 2005	January 9, 2005 (pay period 1).

TSP-1's submitted to cancel contributions are effective the last day of the pay period in which they are entered in EPP or received in SPO.

**B Monthly Rates of Return**

For the latest month's rates of return on the 5 investment funds, employees should visit the TSP website at [www.tsp.gov](http://www.tsp.gov) and click on "Rates of Return".

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**6 Contacts**

**A National Office Contacts**

National Office employees shall contact the appropriate office according to this table for additional information.

<b>IF employee needs to...</b>	<b>THEN do any of the following...</b>
obtain TSP forms or publications	<ul style="list-style-type: none"> <li>• download from the internet at <a href="http://www.tsp.gov">www.tsp.gov</a></li> <li>• go to Room 0086-So Bldg.</li> <li>• go to Room 5700A, L St.</li> <li>• contact HRD, Domestic Operations Branch (DOB), Services Unit at 202-418-9135 or 202-418-9136.</li> </ul>
verify TSP election processed	<ul style="list-style-type: none"> <li>• review AD-334 for the effective pay period</li> <li>• check NFC-EPP</li> <li>• contact HRD, DOB, Services Unit at 202-418-9135 or 202-418-9136.</li> </ul>
obtain policy information or guidance about TSP	<ul style="list-style-type: none"> <li>• contact HRD, Performance Management, Benefits, and Awards Branch (PMBAB) at 202-418-9021</li> <li>• go to Room 5700A, L Street</li> <li>• visit TSP's website at <a href="http://www.tsp.gov">www.tsp.gov</a>.</li> </ul>

**B Field Office Contacts**

Federal and County Office employees shall contact the appropriate office, according to this table for additional information.

<b>Location</b>	<b>Contact</b>
<ul style="list-style-type: none"> <li>• Kansas City FSA Complex</li> <li>• RMA Kansas City Offices</li> <li>• St. Louis Office</li> </ul>	HRD, Processing Section at 816-926-6225
<ul style="list-style-type: none"> <li>• RMA Regional Service and Compliance Offices (except Kansas City)</li> <li>• FAS Overseas Posts</li> </ul>	<ul style="list-style-type: none"> <li>• Darla Henlsey, HRD, PMBAB at 202-418-9021</li> <li>• Susan Brown, HRD, PMBAB at 202-418-9039</li> </ul>
State Office	State Office, Administrative Office
County Office	State Office, Administrative Office