

THRIFT SAVINGS PLAN HIGHLIGHTS

Your Plan ★ Your Future

January/February 2017

A Message from the Executive Director

Dear TSP Participant,

The TSP is turning 30 this year!

When the TSP received its first participant contributions in the spring of 1987, we could hardly foresee that we would grow to have over 5 million civilian and uniformed services participants and nearly \$500 billion in assets. The TSP is now recognized as the largest defined contribution retirement plan in the world.



The Past 30 Years

There are approximately 47,000 people who've invested with us since our inception, are still contributing to their TSP accounts, and are now approaching retirement. Looking at 30 years' worth of data, we can see how we've made a difference in helping them prepare for living through retirement.

In the early years, the TSP had fewer investment options than we have today. Despite that challenge, the average account balance of those who've been with us from the beginning is about \$346,000.* And while there have been significant market swings within the past 30 years, these participants have been resilient and steady savers.

Today

It's a known fact that people are living longer. You could spend as many as 30 years in retirement—the span of an entire federal career for some—so it's important to be sure that your retirement savings translates into enough income to get you through retirement. Here are some tips you can use today to get you there:

- **Start now.** If you haven't already, make a plan and stick to it. It's never too late to start. Determine how much you may need to invest and save, and then develop a plan to achieve your goals. As William G., one of our Facebook friends, says, "Start early even if it's a small amount." The earlier you start, the longer compounding can work for you.
- **Get the full match.** Even if you were automatically enrolled as a FERS participant, you could still be missing out on thousands of dollars in free matching money over time if you're contributing less than 5%. Your agency will contribute up to 5% of your pay to your TSP account each paycheck, but you only get the full match if you contribute at least 5% too. Or as June H., another one of our Facebook friends, puts it, "...always make sure you are receiving all of the free money you can! Contribute whatever it takes to get the maximum match. If you can, contribute even more. The earlier the better!!" We agree.

The TSP is now on Facebook!

Like our page to stay engaged, keep up to date, and learn how to make the most of your TSP account. Don't forget to share our posts with your federal friends and coworkers.



fb.com/tsp4gov

*This average does not include money from rollovers.

- **Diversify.** Having a mix of funds may help you to ride out the ups and downs of your investments while seeking the growth you want. Generally, the more time you have the more risk you may be able to tolerate. While all investments come with some risk, losses from some investments may be offset by the gains of others over time. To get the optimal balance between risk and return, consider our Lifecycle (L) Funds, which provide a professional mix of investments based on when you'll need to start withdrawing your money.
- **Save more.** Increasing your savings even a small amount can make a big difference. Here's what Joy B. commented on one of our Facebook posts: "And every time you get a raise or cost of living adjustment, increase the amount withdrawn." Good thinking! Find ways to save extra dollars to help boost your retirement savings. Use our "How Much Will My Savings Grow?" calculator on tsp.gov to get an estimate of the growth of your money.
- **Monitor your plan.** Remember, the plan you set at the beginning of your career will be based on your situation at that point in time. Be aware of the events in your life that have the potential to steer your retirement income plan off course. Whether you have 3 years or 30 years to go until retirement, periodically review your goals to see if you're on track.

The Next 30 Years

Just like you, we're not the same as we were 30 years ago. With age comes growth and wisdom. We want to use what we've learned and what you've told us over the last 30 years to continue to help you make smart choices. In the coming years, we plan to further enhance the participant experience so that we can better enable you to achieve your retirement goals.

No matter what your ideal retirement looks like, we're committed to helping you get there.

Sincerely,



Greg Long
Executive Director

TSP Website: tsp.gov
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 Outside the U.S. and Canada: 404-233-4400
 TDD: 1-877-847-4385
 Facebook: [fb.com/tsp4gov](https://www.facebook.com/tsp4gov)
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Expenses by Fund¹

	L 2050	L 2040	L 2030	L 2020	L Income	G Fund	F Fund	C Fund	S Fund	I Fund
2015² Administrative Expenses										
Gross	.043%	.043%	.043%	.043%	.043%	.043%	.043%	.043%	.043%	.043%
Net³	.029%	.029%	.029%	.029%	.029%	.029%	.029%	.029%	.029%	.029%
Other Expenses⁴										
	.013%	.012%	.010%	.007%	.003%	.000%	.016%	.004%	.038%	.015%

¹ The Government Securities Investment (G) Fund contains government securities; the Fixed Income Index Investment (F) Fund contains government, corporate, and asset-backed bonds; the Common Stock Index Investment (C) Fund contains stocks of large and medium-sized U.S. companies; the Small Capitalization Stock Index Investment (S) Fund contains stocks of small to medium-sized U.S. companies; and the International Stock Index Investment (I) Fund contains stocks from more than 20 developed countries. For each fund, 1-, 3-, and 5-year rates of return are available on your annual statement.

² The 2016 administrative expenses will be available in the April 2017 issue of *Highlights*.

³ Net administrative expenses are the expenses charged to TSP participants per dollar invested in the respective funds after offsetting gross administrative expenses with account forfeitures and loan fees.

⁴ Fees associated with securities lending are not included in 2015 administrative expenses. Consistent with standard practice in the industry, they are charged in addition to administrative expenses. The other expenses represent fees paid to the investment manager for administering securities lending programs. Income earned from these programs improved the returns of the funds.