# Understanding Your TSP

# Heather Record

CUSO Financial Services, L.P.
Located at America First Credit Union

Securities, Annuities and Insurance offered through
CUSO Financial Services, L.P. member FINRA/SIPC

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Please contact a TSP Participant Service Rep for specific guidance concerning withdrawals and other plan options

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# Who can participate in the TSP?

- CSRS
- FERS
- Military

- There are two types of employee contributions:
  - Regular
  - Catch-Up (for participants 50 and older)

TSP benefits differ depending on your retirement system (FERS, CSRS, or uniformed services). If you aren't sure which retirement system covers you, check with your personnel or benefits office.

## Agency Contributions to Your Account (FERS Employees Only)

| Your Contribution | Your Agency puts in: | | And the total Contribution is: |
|---|---|---|---|
| | Automatic ( 1% ) Contribution | Agency Matching Contribution | |
| 0% | 1% | 0% | 1% |
| 1% | 1% | 1% | 3% |
| 2% | 1% | 2% | 5% |
| 3% | 1% | 3% | 7% |
| 4% | 1% | 3 ½ % | 8 ½ % |
| 5% | 1% | 4% | 10% |
| More than 5% | 1% | 4% | Your Contribution + 5% |

- TSP participants are immediately vested in (entitled to) their own contributions and any Agency Matching Contributions.
- "Agency Automatic (1%) contributions" are subject to vesting…generally 3 years of Federal Service
- Here's how FERS matching works: Agency matches 100% of your first 3% of pay, 50% of next 2 % (see chart above)
- You'll be automatically enrolled in the TSP at 5% into a LifeCycle Fund closest aligned to your retirement age of 62

# Roth Contributions

- Roth started in TSP in May 2012; now you have a choice of tax treatments
- Traditional contributions…defer paying taxes on your contributions and earnings until you withdraw them
- Roth contributions…pay taxes on your contributions when you make them; get your earnings tax free at withdrawal
- Roth earnings come out tax free as long as 5 years have passed since 1/1 of the calendar year when you made your first Roth TSP contribution AND you are at least 59 ½
- If you take out, borrow from, or change your investments, it will affect both sides, Traditional and Roth
- If you want to do a Roth, you must submit a contribution election to tell your agency what portion to make Roth

# Contribution Limits

- IRC Elective Deferral Limit…how much you can defer from pay…Traditional or Roth:
  - $22,500 for 2023
- Catch-up…for those age 50 and over is $7,500 for 2023
- Catch up is separate from (and in addition to) the Elective Deferral Limit and the IRC 415(c) limit

Three ways to access your money in the TSP:

- A loan
- In-service withdrawal (withdrawal while you are still employed by the Federal Government) after age 59 ½
- Post-separation withdrawal (withdrawal after you separate from service)
- Other withdrawals options exist.  Refer to TSP.gov.

# #1 - LOANS

- There are two types of TSP loans:
  - A general purpose loan
  - Residential loan: A loan for the purchase or construction of a primary residence.

- You can have two general purpose loans per account; one general purpose and one residential (primary residence) loan outstanding at a time.
  - Must be from your own contributions and earnings.
  - You cannot borrow less than $1,000 or more than $50,000.
  - Some stipulations apply.

# #2 - IN-SERVICE WITHDRAWALS

- There are two types of in-service withdrawals:

  - **A financial hardship in-service withdrawal**
    - **Use Form TSP-76**
- You must certify financial hardship.
- If you are a FERS employee, you will not receive the agency matching contributions.

  - **Age-based in-service withdrawals after age 59 ½**
    - **Use Form TSP-75**
- You can do a Direct Rollover to a Qualified IRA account.
- You are permitted to take up to four withdrawals per year.
- If you make four in a calendar year, you will have to wait until the next calendar year to take any additional withdrawals.

# Other KEY things to remember

- If you transfer to a new Agency, notify personnel/payroll that you're contributing to TSP so there's no interruption.
- Withdrawal Deadline…if you've separated from service, you must make a withdrawal choice for your TSP balance the year you turn 73
- If you're still employed at 73, you do not have to make a withdrawal choice. However, if you separate from service after age 73, you must make selection that year.
- If you don't begin withdrawing by the deadline, TSP will send you the required minimum distribution. Penalties may be involved if you don't withdraw the minimum distribution.

# Other KEY things to remember (con't)

- If you had a prior Civilian Service TSP account, and it is still active, you will keep the same account.
- If you had a prior Uniformed Service TSP account and are now a civil service employee, you will have the same account number, but have two different accounts and have to manage them differently. You can only combine accounts after separation with some stipulations.

# For More Information

- TSP Website: www.tsp.gov
- Booklets, calculators, forms, etc. on the TSP site at www.tsp.gov
- Thriftline: 877-968-3778

# Questions?

**You can contact**

**America First Credit Union**

**at**

**1-800-999-3961**

**Or**

**Visit one of our locations in building 230, 431 or 1235**

# Base Personal Financial Readiness Program Manager

**Mr. Jody Coleman**

**jody.coleman.1@us.af.mil**

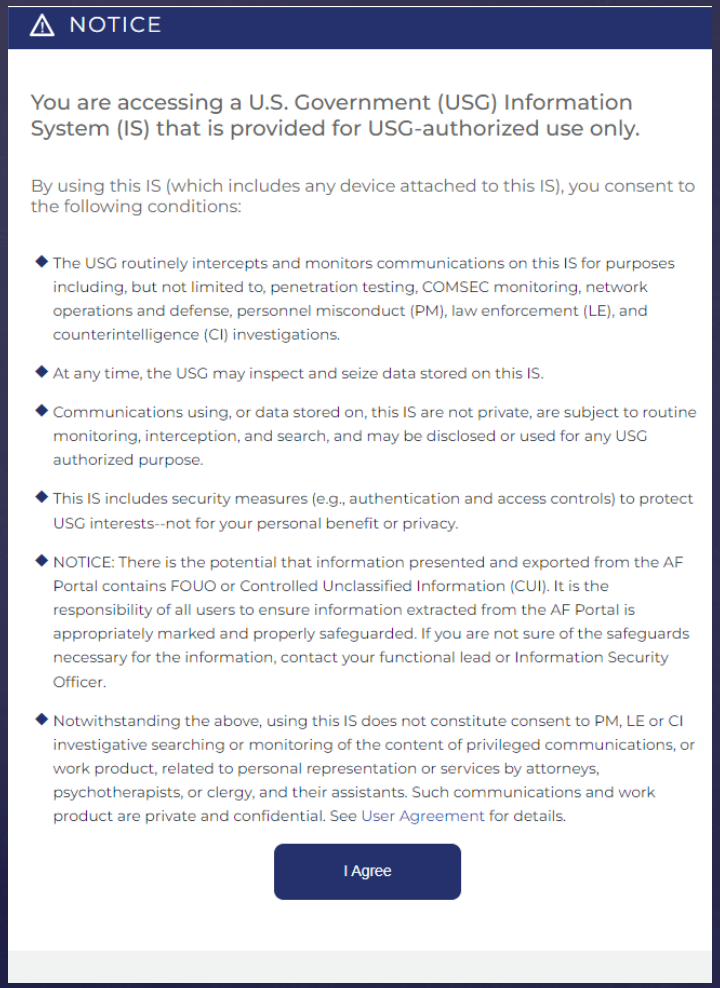
**801-777-4681**

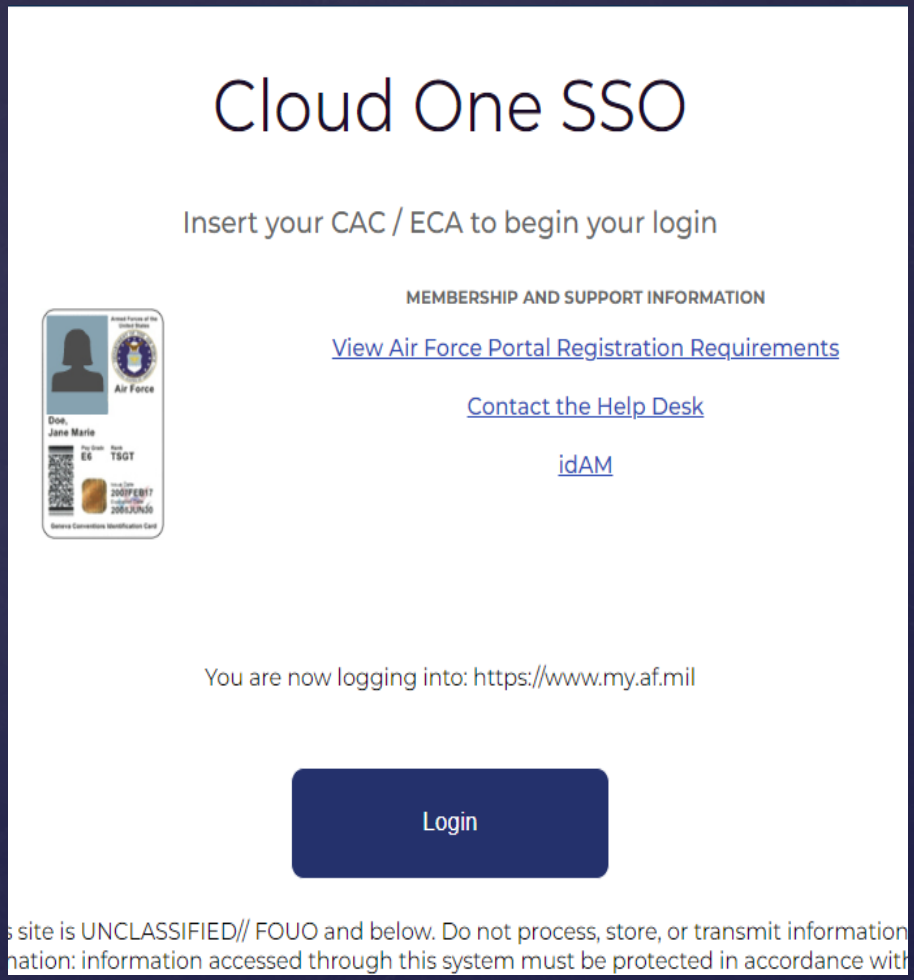
**Military and Family Readiness Center**

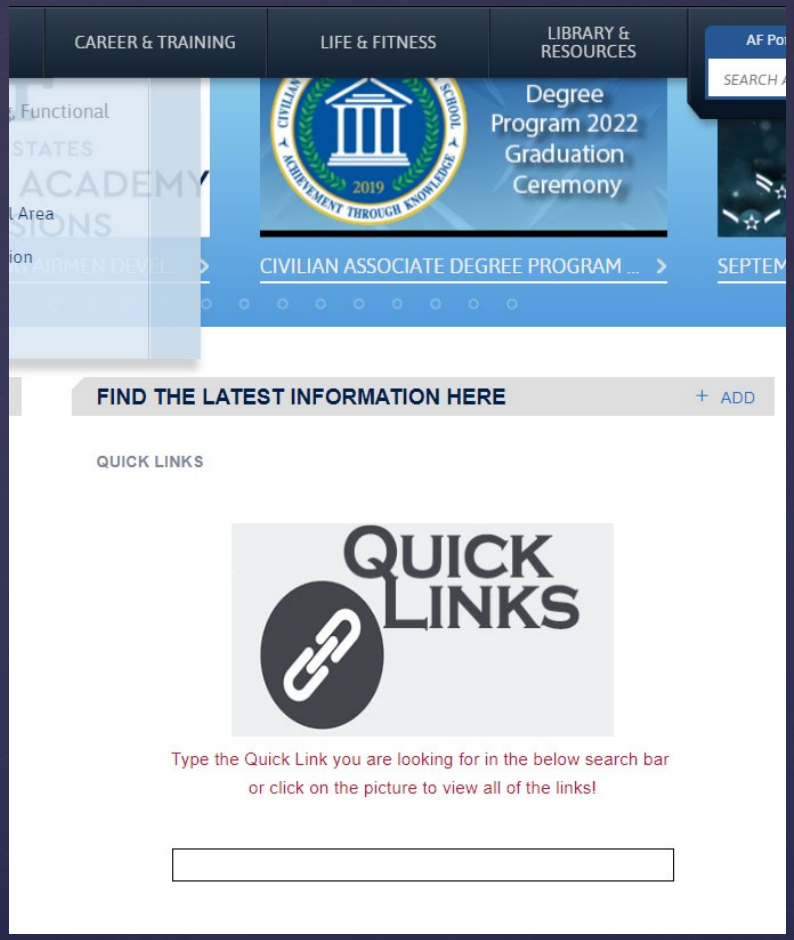
# Financial Education on Base

# Government Retirement Benefits website

Air Force Portal: https://www.my.af.mil






**PERSONNEL AND CAREER**

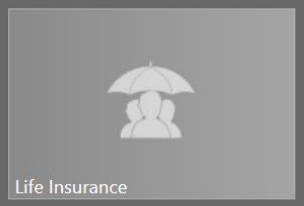
- AFPC Secure - AF Personnel Center Secure Portal
- AMS (Assignment Management System)
- AROWS (Air National Guard Reserve Order Writing System)
- AROWS-R (AF Reserve Order Writing System)
- EOPF (Electronic Official Personnel Folder)
- GRB (Government Retirement and Benefits) Platform
- MyBiz+ [.mil]
- PRDA (Personnel Records Display Application)
- myPers
- vMPF (Virtual Military Personnel Flight)
- vPC (virtual Personnel Center)

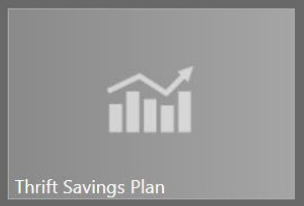
https://grbplatform.us.af.mil/

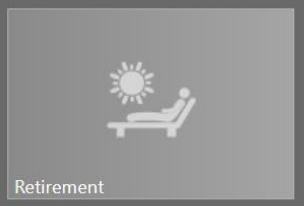
GRB Platform

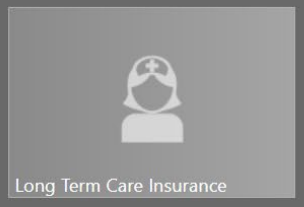
Total Compensation Statement

# Department of Air Force





# M&FRC Email Distro List

Sign up to receive periodical information on events, tools, and resources via email from the list of areas below.

Do you want to receive info on Personal Financial Readiness?

☐ Sign me up!

Do you want to receive info on Employment?

☐ Sign me up!

Do you want to receive info on volunteering?

☐ Sign me up!

Do you want to receive info on Deployment Support?

☐ Sign me up!

Do you want to receive info on Family Life Resources?

☐ Sign me up!

First Name

Name

Last Name

Email (Work)

Email

Email (Personal)

Email

Comment

Send

# Voting Assistance Program

- **Remember to change your address anytime you move at www.FVAP.gov**
- As a military member, you and your dependents can exercise the right to vote from anywhere in the world. https://75fss.com/voting-assistance-program/
  - Go to www.FVAP.gov register and request your absentee ballot with the federal post card application (FPCA).
  - Fill out and send in your ballot when it arrives.
- For more information go to www.FVAP.gov
  - Ask your Unit Voting Assistance Office
  - Come to the Installation Voting Assistance Office
    - M&FRC Bldg. 150, 801-777-4681 or email us at Hill.votingasst@us.af.mil

FVAP.GOV
FEDERAL VOTING ASSISTANCE PROGRAM

# Questions?