



Thrift Savings Plan BULLETIN for Service TSP Representatives

Subject: Uniformed Services Participation in the TSP

Date: July 19, 2001

On October 30, 2000, President Clinton signed into law the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398). One provision of the law extended participation in the Thrift Savings Plan (TSP) for Federal civilian employees to members of the uniformed services.

This bulletin explains how members of the uniformed services enroll in the TSP, how they elect to invest their money among the various TSP funds, and how they designate a beneficiary to receive their TSP accounts in the event of their death. It also explains the responsibilities of the uniformed services with regard to these actions. (Specific guidance for the services' payroll offices will be included in a future bulletin.) For additional information, go to the TSP Web site at www.tsp.gov and click on the Uniformed Services button and then "Questions and Answers"; also see the *Guide to TSP Investments* in the Web site's Forms & Publications section. The *Summary of the Thrift Savings Plan for the Uniformed Services* is also available from the Uniformed Services section of this Web site.

Attachments 1, 2, and 3 (TSP-U-1, TSP-U-3, and TSP-U-50, respectively) are advance copies of forms to be used by uniformed services members. Form TSP-U-1, Election Form, is used to start, change, or stop TSP contributions; Form TSP-U-3, Designation of Beneficiary, is used to designate a TSP beneficiary or beneficiaries; Form-U-50, Investment Allocation, is used to request contribution allocations or interfund transfers. Form TSP-U-1 cannot be used before October 9, 2001; Forms TSP-U-3 and TSP-U-50 cannot be used before members make their first contribution to the TSP in January 2002.

(Continued on next page)

Inquiries: Questions concerning this bulletin should be directed to the Federal Retirement Thrift Investment Board at **202-942-1460**.

Chapter: This bulletin may be filed in Chapter 3, Eligibility.

I. Introduction

The TSP is a retirement savings and investment plan that has been available to civilian employees of the Federal Government since 1987. The purpose of the TSP is to provide retirement income. It offers participants the same type of savings and tax benefits that many private corporations offer their employees under so-called “401(k) plans.” The TSP is a defined contribution plan. That is, the retirement income that participants receive from the TSP depends upon how much they have contributed to their accounts and the earnings that have accrued on those contributions. The money that participants invest in the TSP comes from pre-tax dollars and reduces their current taxable income; investments and earnings are not taxed until they are withdrawn.

The Federal Retirement Thrift Investment Board administers the TSP and contracts with the U.S. Department of Agriculture’s National Finance Center to serve as the TSP record keeper. The services are responsible for reporting to the TSP record keeper the personal information that it needs to establish and maintain members’ accounts, processing Forms TSP-U-1, and reporting to the TSP record keeper the dollar amount of contributions to members’ accounts each pay period. The services also distribute TSP materials, answer members’ questions about the TSP, and are the members’ primary points of contact regarding the TSP.¹

II. Definitions

- A. **Active duty uniformed services members** means uniformed members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration who are serving in a full-time active duty status.²
- B. **Basic pay** means basic pay payable under section 204 of title 37 and compensation received under section 206 of title 37 of the United States Code (U.S.C.). Section 204 pay is pay earned for active duty; section 206 compensation (e.g., drill pay for inactive duty for training (IDT)) is pay earned by members of the Ready Reserve (to include the National Guard).
- C. **Bonus pay** means bonus pay (e.g., enlistment and reenlistment bonuses), as defined in chapter 5 of title 37, U.S.C. Although bonus pay is generally a type of special pay, it is addressed separately for contribution election purposes because different TSP rules apply to it.

¹ Services are also responsible for reporting loan payments and providing withdrawal packages to separating participants. Future bulletins will be issued to discuss these responsibilities.

² The Department of Defense, in conjunction with the other uniformed services organizations, will define active duty and eligible reserve members of the uniformed services, and will be responsible for categorizing personnel accordingly for TSP purposes.

- D. **Contribution election** means a request by a member to start contributing to the TSP, to change the amount of TSP contributions made each pay period, or to terminate TSP contributions.
- E. **Contribution allocation** means the apportionment of a member's future contributions and loan payments among the TSP investment funds.
- F. **Incentive pay and special pay** mean incentive pay (e.g., flight pay, submarine pay, hazardous duty pay) or special pay (e.g., medical and dental officer pay, hardship duty pay, career sea pay) as defined in chapter 5 of title 37, U.S.C. Bonus pay, which is generally a type of special pay, is defined in paragraph C above.
- G. **Interfund transfer** means the reapportionment of a member's existing account balance among the various TSP investment funds.
- H. **Member** means a member of the uniformed services serving on active duty or in the Ready Reserve in any pay status.
- I. **Ordinary contributions** means member contributions that are made from compensation not subject to the Federal income tax exclusion at 26 U.S.C. § 112 (applicable to compensation for active service in a month in which a member serves in a combat zone).
- J. **Pay entry basic date** means the date a uniformed services member becomes eligible to receive basic pay.
- K. **Reservist** means a member of the Ready Reserve (including the National Guard) in any pay status.
- L. **Separation from service**, for TSP purposes, means (1) discharge of a member from active duty or the Ready Reserve or (2) transfer of a member to inactive status or to a retired list pursuant to any provision of title 10, U.S.C. The discharge or transfer may not be followed, before the end of the 31-day period beginning on the day following the effective date of the discharge, by resumption of active duty, an appointment to a civilian position covered by the Federal Employees' Retirement System, the Civil Service Retirement System, or an equivalent retirement system, or continued service in or affiliation with the Ready Reserve.³
- M. **Service** means the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and National Oceanic and Atmospheric Administration.

³ Reserve component members serving on full-time active duty who terminate their active duty status and subsequently participate in the drilling reserve are said to "continue" in the Ready Reserve. Active component members who are released from active duty and subsequently participate in the drilling reserve are said to "affiliate" with the Ready Reserve.

- N. **Servicing payroll office** means the payroll office responsible for the member's pay activities, including the deduction of TSP contributions and loan payments from that member's pay.
- O. **Tax-exempt contributions** means member contributions that are made from compensation subject to the Federal income tax exclusion at 26 U.S.C. § 112 applicable to compensation for active service in the month in which a member serves in a combat zone.
- P. **TSP record keeper** means the U.S. Department of Agriculture's National Finance Center, which provides record keeping services (e.g., maintains accounts and mails out semiannual participant statements) for the TSP.

III. Contribution Rules

- A. Contributions from the various types of pay

Members may elect to contribute from basic pay (which, as defined in Section II above, includes IDT drill pay), incentive pay and special pay, subject to the applicable dollar limitations of the Internal Revenue Code (I.R.C.).⁴ Members use Form TSP-U-1 to show how much they want to contribute each pay period from each category of pay. The amount they decide to contribute from each category of pay must be expressed on Form TSP-U-1 as a whole percent. All contributions are deducted directly from the appropriate type of pay and submitted to the TSP record keeper by the servicing payroll office.

- 1. Basic pay

The maximum percentage that a member may contribute from basic pay in any pay period is as follows:

Calendar Year	The maximum percentage allowable is:
2002	7%
2003	8%
2004	9%
2005	10%
2006 or thereafter	100%

⁴ Section 402(g) of the I.R.C. limits the amount of income an employee may elect to defer under all cash or deferred arrangements (e.g., the TSP or a 401(k) plan) during a tax year. For 2001, this "elective deferral limit" is \$10,500. For 2002, the elective deferral limit will be \$11,000. (For 2003, it will be \$12,000; for 2004, it will be \$13,000; for 2005, it will be \$14,000; and for 2006, it will be \$15,000.) This limit does not apply to tax-exempt contributions. However, section 415(c) of the I.R.C., which limits the amount of total employee and employer contributions to the participant's TSP account each year (to the lesser of \$40,000 or 100% of compensation), applies to both tax-deferred and tax-exempt contributions.

2. Incentive pay, special pay, and bonus pay

A member who is contributing to the TSP from basic pay may also make contributions from one to one hundred percent of any incentive pay, special pay, or bonus pay that the member receives.

3. Matching contributions

The law allows the Secretaries of the uniformed services to designate critical specialties as eligible for matching contributions. Members serving in these specialties who agree to serve on active duty for 6 years will be eligible for matching contributions from their services. The matching contributions apply only to amounts contributed from a member's basic pay. These contributions are matched dollar-for-dollar on the first three percent of pay the member contributes each pay period, and 50 cents on the dollar on the next two percent of pay the member contributes each pay period.

**Percentages That May Be Contributed to a Member's Account
(Critical Specialties Only)**

Member Contributes	Service Match	Total Contribution
0%	0%	0%
1%	1%	2%
2%	2%	4%
3%	3%	6%
4%	3.5%	7.5%
5%	4%	9%

B. Making contribution elections

1. Members may make elections to contribute from basic pay, incentive pay, or special pay (but not including bonus pay) only during the periods described in C below. However, a member must elect to contribute from basic pay to be eligible to contribute from incentive pay, special pay, or bonus pay.
2. Members may elect to contribute from incentive pay or special pay during the periods described in C below in anticipation of becoming entitled to such pay. If the member is not currently receiving such pay, the election will take effect when the member does receive the elected type of pay.
3. Members may also elect to contribute from bonus pay at any time. However, they must be contributing from basic pay for the election to contribute from bonus pay to take effect.

C. Contribution election opportunities

1. **Special sign-up period.** Current members or members who join the uniformed services before December 9, 2001, may elect to participate in the

TSP during the period October 9, 2001, through January 31, 2002.⁵ Elections must be made effective no later than the first pay period after they are received by the member's service; **however, no election may be made effective earlier than January 2002.**

2. **Upon joining the uniformed services.** Members who join the uniformed services on or after December 9, 2001 (and those who rejoin on or after December 9, 2001 following a separation from service) will be able to elect to participate in the TSP within 60 days of joining (or rejoining) the uniformed services.

For the purpose of making TSP contribution elections, a member will be deemed to have joined the uniformed services on the date the member first becomes eligible (or becomes eligible again for those members who rejoin following a break in service) to receive basic pay (the pay entry basic date). The day following the member's pay entry basic date should be considered day one of this 60-day window. Elections made during this 60-day window must be made effective by the member's service no later than the first pay period after they are received (but no earlier than January 2002).

3. **TSP open seasons.** Members who have not made elections to begin contributions during one of the periods described above may elect to begin participating in the TSP during a TSP open season. In addition, members who are contributing may elect to change the amount they are contributing during a TSP open season. There are two TSP open seasons each year. Currently, the open seasons are May 15 through July 31 and November 15 through January 31. Elections made during TSP open seasons must be made effective no later than the first pay period after they are received; **however, no election may be made effective earlier than the last month of the open season** (i.e., July or January).
4. **Upon certain changes in duty status.** Members of the Ready Reserve called to active duty for a period of more than 30 days, and members leaving active duty and entering the Ready Reserve, may make TSP contribution elections within 60 days of the change in duty status. The member's service must make the election effective the first pay period after the election is received (but not earlier than January 2002).

⁵ The law that extended the TSP to the uniformed services prescribed a special 60-day period to make an election to begin contributing to the TSP. However, because the close of this 60-day period will occur during a TSP open season, the special period will be extended through the end of the TSP open season.

D. Terminating contributions

A member may terminate his or her contributions at any time by submitting Form TSP-U-1 to the uniformed service office that is responsible for the TSP. However, the following rules apply to the termination request.

1. If a member stops contributing from basic pay during an open season, the member cannot start contributing again until the next TSP open season.
2. If a member stops contributing from basic pay outside an open season, the member will not be able to start contributing again until the second open season following the termination.
3. To contribute from incentive pay or special pay (including bonus pay), a member **must** be contributing from basic pay. Thus, if a member terminates contributions from basic pay, contributions from incentive pay or special pay will also stop.
4. The member may, however, terminate contributions from incentive pay or special pay yet continue contributions from basic pay.
 - a. If a member stops contributing from incentive pay or special pay (but not including bonus pay) during an open season, the member cannot start contributing again from that type of pay until the next TSP open season.
 - b. If a member stops contributing from incentive pay or special pay (but not including bonus pay) outside an open season, the member will not be able to start contributing again from that type of pay until the second open season following the termination.
 - c. If a member stops contributions from bonus pay, the member may resume contributions from this type of pay at any time so long as the member is contributing from basic pay.

IV. Investment Decisions

A. Investment funds

The TSP offers five investment funds: the Government Securities Investment (G) Fund, the Fixed Income Index Investment (F) Fund, the Common Stock Index Investment (C) Fund, the Small Capitalization Stock Index Investment (S) Fund, and the International Stock Index Investment (I) Fund.

B. Contribution allocations

1. Members must make a contribution allocation to specify the investment of future deposits that will be made to their uniformed service accounts (i.e., all uniformed service contributions and, if applicable, loan payments and transfers of funds from qualified trusts). A contribution allocation remains

in effect until the member makes a different contribution allocation. A contribution allocation does **not** affect the investment of the money already in a member's account.⁶

2. To make a contribution allocation, a member must file a request directly with the TSP by using the TSP Web site (www.tsp.gov) or the ThriftLine (the TSP's automated telephone service at 504-255-8777), or by submitting Form TSP-U-50 to the TSP record keeper.

Until a member makes a contribution allocation, his or her contributions will be invested in the G Fund.

3. Members may make contribution allocations at any time. The number of contribution allocations that members may request is unlimited, but only one contribution allocation can be effective on a given business day. Generally, a contribution allocation will be made effective within two business days of the request (if it is made electronically) or of the TSP record keeper's receipt of the form (if it is made on Form TSP-U-50).

C. Interfund transfers

1. Members can move some or all of their existing account balances among the five TSP funds by requesting interfund transfers. To request an interfund transfer, members must use the TSP Web site or the ThriftLine, or submit Form TSP-U-50 to the TSP record keeper. Interfund transfers do **not** affect the investment of future deposits to members' accounts.⁷
2. Members may make one interfund transfer per month. The TSP record keeper processes interfund transfer requests monthly, effective as of the end of the month. Interfund transfer requests made on the Web site or the ThriftLine by midnight (central time) of the 15th of the month or on a Form TSP-U-50 that is received by the TSP Service Office by the 15th of the month are effective as of the last day of that month. If the 15th of the month falls on a weekend, holiday, or other nonbusiness day, the deadline will be the next business day. Requests made (or received by the TSP Service Office) after the deadline are effective as of the last day of the following month.

⁶ If a member is also serving on an appointment in the Federal civil service and is participating in the TSP under that civilian appointment (e.g., the member is a reservist and also a civilian employee), the member must make a separate contribution allocation to change the investment of contributions (and, if applicable, loan payments) to that civilian account. Likewise, the contribution allocation the member makes for his or her civilian account will **not** be used to invest uniformed service contributions.

⁷ If a member has a separate TSP account as a result of an appointment in the Federal civil service, an interfund transfer request will apply to the specific (uniformed services or civilian) account. To change the investment of both account balances, the member must request separate interfund transfers.

D. Resources and information

The TSP Web site and the *Guide to TSP Investments* contain more information about the five investment funds, contribution allocations, and interfund transfers. (Form TSP-50, Investment Allocation, which is described by the Investment Guide, is the civilian equivalent of Form TSP-U-50.)

V. Designating a Beneficiary

- A. Members may designate beneficiaries to receive their TSP account in the event of their death. To do so, members must complete Form TSP-U-3, Designation of Beneficiary, and send it to the TSP Service Office at the National Finance Center (to the address on the back of the form).⁸
- B. Members are not required to file Form TSP-U-3; if a member does not have a valid Form TSP-U-3 on file with the TSP, the member's account will be distributed after the member's death according to the statutory order of precedence at 5 U. S. C. § 8424(d), which is delineated on the back of Form TSP-U-3.
- C. Mentioning a TSP account in a will (or another document, such as a prenuptial agreement) has no effect on the disposition of the member's account after the member's death. Members may, however, use Form TSP-U-3 to designate an estate or a trust to receive all, or a portion of, their TSP accounts.

VI. Member Responsibilities

- A. Making contribution elections
 - 1. To make contribution elections, members must complete Form TSP-U-1 and submit it to their service's TSP representative during one of the periods described in Sections III.C and D above.⁹
 - 2. Contribution elections stay in effect until members submit another Form TSP-U-1 (during the appropriate period as described in Section III above) to change or terminate the election. For example, if a member elects to contribute from bonus pay, the member's contribution election will cover future installments or any other bonus to which the member becomes entitled. If this is not what the member intends, the member must submit a subsequent Form TSP-U-1 to terminate or change his or her bonus election.

⁸ If a member has a TSP account as a result of a civilian appointment, the member must submit Form TSP-3, Designation of Beneficiary, to the TSP Service Office to designate a beneficiary (or beneficiaries) for that civilian account. The designation made on Form TSP-U-3 will not apply to the civilian account and vice versa.

⁹ The uniformed services may develop an automated method for making TSP contribution elections, and consequently may require their members to make such elections electronically (instead of completing the paper Form TSP-U-1).

3. Members may obtain Form TSP-U-1 from their service's TSP representative or by downloading a copy from the Uniformed Services Forms & Publications section of the TSP Web site.

B. Making investment decisions

1. Members are responsible for making investment decisions. Neither the services nor the Federal Retirement Thrift Investment Board provides investment advice. Consequently, members are strongly encouraged to read the *Summary of the Thrift Savings Plan for the Uniformed Services* (which will be available later this year) or the *Guide to TSP Investments* before making an investment decision. The *Guide to TSP Investments* provides more detailed information about TSP investment funds and practices.
2. After the TSP notifies members that their accounts have been established, members may make contribution allocations and interfund transfers (investment decisions) as discussed in Section IV above. Until a member makes a contribution allocation, his or her contributions will be invested in the G Fund.
3. A member who also has a separate civilian TSP account (e.g., because the member is a reservist and also a civilian employee) must make contribution allocations and interfund transfer requests for each account separately (as discussed in footnotes 6, 7, and 8).

C. Confirming the implementation of requests

Members are responsible for confirming that their contribution elections have been properly executed by their servicing payroll office and that their contribution allocations and interfund transfers have been properly executed by the TSP record keeper. Errors must be reported promptly to the payroll office or the record keeper, as appropriate, in order for them to be corrected.

D. Maintaining the accuracy of personal information

On an ongoing basis, members are responsible for notifying their service's TSP representative of any changes in their personal data, e.g., changes of address, so that these changes can be reported to the TSP.

E. Designating a beneficiary

1. Members are responsible for designating beneficiaries to receive their TSP account in the event of their death as discussed in Section V above.
2. If a member wishes to change or cancel a beneficiary designation, the member must submit another Form TSP-U-3 to the TSP record keeper. Members should keep this in mind whenever their personal situation changes (e.g., as a result of marriage, birth or adoption of a child, or divorce).

3. A member's semiannual participant statement will show whether the member has submitted Form TSP-U-3 and, if so, the date the most recent form was signed by the member.
4. A member who also has a separate, civilian TSP account (e.g., because the member is a reservist and also a civilian employee) must make a separate beneficiary designation for that account.

VII. Service Responsibilities

- A. The services are responsible for the following actions during the initial 60-day sign up period for a new member (or a member moving between active and reserve duty) and during open seasons:
 1. Publicizing TSP open seasons and distributing open season enrollment materials, including the *Summary of the Thrift Savings Plan for the Uniformed Services* and Form TSP-U-1.
 2. Providing information to members regarding the TSP, including notifying new members of their opportunity to make a TSP contribution election. Attachment 4 is a sample notice that may be used for this purpose.
 3. Processing Forms TSP-U-1 as submitted by their members.
 4. Submitting personal information for their members (as provided on Form TSP-U-1) to their payroll offices.
 5. Notifying the servicing payroll office when a member is eligible to receive matching contributions.
- B. The services are responsible for the following TSP activities on an ongoing basis:
 1. Providing members with information about the benefits of the TSP, including distributing TSP booklets, forms, and other materials.
 2. Responding to questions from members about TSP benefits and about the TSP contributions (and loan payments, if any) that are being deducted from their pay. This includes answering questions relating to the tax characterization of these contributions (ordinary or tax-exempt).
 3. When members elect to terminate contributions, reporting the type of pay from which contributions are to be stopped.
 4. Notifying the servicing payroll office when a member's personal information (e.g., his or her address) changes. **Note:** While the member is in the uniformed services, all correspondence, account statements, and disbursements relating to the uniformed services account will be sent to the member at the address of record provided by the service.

5. Notifying the servicing payroll office when a member's employment changes. An employment change occurs when a member:
 - a. Transfers (employment code T) from a full-time active duty status to either a Ready Reserve drilling status or a Ready Reserve non-drilling status and vice versa (the losing organization will provide this data).
 - b. Separates (employment code S) from the uniformed services (as defined in Section II above) except as a result of a disability retirement.
 - c. Dies in service (employment code D).
 - d. Retires on a disability retirement which has been approved by the appropriate uniformed services official (employment code B). Under section 72(m)(7) of the I.R.C., "an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration."¹⁰

6. Notifying the servicing payroll office of errors affecting members' TSP accounts and correcting data submissions as appropriate. (For example, if an employment code, as cited above, is submitted in error, the employment code must be corrected; if the member has not transferred, separated, died in service, or retired on disability, an employment code of "N" (not separated) must be provided.)

Services will compensate their members for earnings lost as a result of certain service/payroll office errors, as required by 5 U.S.C. 8432a.

¹⁰ A 100 percent disability rating under the Department of Veterans Affairs' (DVA) Veterans Administration Schedule for Rating Disabilities (VASRD) satisfies this I.R.C. definition. As specified in section 4.16 of title 38, Code of Federal Regulations, even if the VASRD does not provide a 100 percent rating, a member may be assigned a disability rating of 100 percent as long as the member's impairment is sufficient to render him or her unable to engage in a substantially gainful occupation. The 100 percent rating must be permanent. Placement on the Temporary Disability Retirement List is insufficient to enter this code. Members who retire on disability will not be subject to the 10 percent early withdrawal penalty if they withdraw their TSP accounts before they reach age 59½.

VIII. Additional Information

Specific information regarding the uniformed services open season materials and the processing of Form TSP-U-1 will be provided later this year when the materials and forms are distributed to the services. Service representatives may also refer to the following bulletins issued to civilian agency representatives for general guidance: Bulletins TSP 01-7 (Revision of Form TSP-1, Election Form), TSP 01-9 (Introduction of Form TSP-50, Investment Allocation), and TSP 01-16 (Thrift Savings Plan Open Seasons).



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Attachment 1 – Form TSP-U-1

Attachment 2 – Form TSP-U-50

Attachment 3 – Form TSP-U-3

Attachment 4 – Sample letter for new members of the uniformed services



THRIFT SAVINGS PLAN ELECTION FORM

TSP-U-1

Use this form to start your contributions to the Thrift Savings Plan (TSP), to change the amount of your contributions, or to stop your contributions.

Before completing this form, please read the *Summary of the Thrift Savings Plan for the Uniformed Services* and the instructions on the back of this form. **Return the completed form to the office of your service that is responsible for enrolling members in the TSP (see instructions).** Your service will return a copy to you after completing Section V.

Note: To allocate your contributions among the five investment funds, see the instructions in the General Information section on the back of this form.

I. INFORMATION ABOUT YOU

1. _____
Name (Last) (First) (Middle)

2. _____
Mailing Address (may be APO or FPO) City State Zip Code

3. _____
Social Security Number

4. (_____) _____
Telephone (Area Code and Number)

5. ____/____/____
Date of Birth (mm/dd/yyyy)

6. _____
Office Identification (Service and Organization)

II. START OR CHANGE YOUR CONTRIBUTIONS *(Use whole percent- ages only.)*

To start or change the amount of your contributions, enter in Item 7 the percentage of your basic pay per pay period that you want to contribute.

7. _____ .0% **Basic Pay**

If you contribute from basic pay, you may also contribute from incentive pay, special pay (except bonus pay), or bonus pay. If you elect to contribute from any of these types of pay, your election will take effect whenever you become entitled to this pay.

8. _____ .0% **Incentive Pay**

9. _____ .0% **Special Pay (except bonus pay)**

10. _____ .0% **Bonus Pay**

III. STOP YOUR CONTRIBUTIONS

To stop your contributions to the TSP, check Item 11 and complete Section IV. If you want to stop only your contributions from incentive pay, special pay (except bonus pay), or bonus pay, check Items 12, 13, or 14, as appropriate, and complete Section IV. Your contributions will stop no later than the first full pay period after your service receives this form.

11. Stop my contributions from **basic pay**. I understand that this will cause my contributions from all other types of pay to stop also.
12. Stop my contributions from **incentive pay**.
13. Stop my contributions from **special pay (except bonus pay)**.
14. Stop my contributions from **bonus pay**.

IV. SIGNATURE

15. _____
Service Member's Signature

16. ____/____/____
Date Signed (mm/dd/yyyy)

V. FOR SERVICE USE ONLY

17. _____
Payroll Office Number

18. ____/____/____
Effective Date (mm/dd/yyyy)

19. ____/____/____
Date member will become eligible to resume contributions (mm/dd/yyyy) (if member completed Section III).

20. _____
Signature of Service Official

21. ____/____/____
Receipt Date (mm/dd/yyyy)

PRIVACY ACT NOTICE. We are authorized to request this information under 5 U.S.C. Chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your account. We will use the information you provide to process your TSP election. This information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. In addition, we may share the information with law enforcement agencies investigating a violation of civil or criminal law,

or agencies implementing a statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries. We may also disclose relevant portions of the information to appropriate parties engaged in litigation. You are not required by law to provide this information, but if you do not provide it, we will not be able to process your request.

INFORMATION AND INSTRUCTIONS

GENERAL INFORMATION

To start or change your contributions, submit this form during a TSP open season or within 60 days of the date you join the uniformed services. If you are a member of the Ready Reserve and are called to active duty, or if you are a member leaving active duty and entering the Ready Reserve, you may also make a contribution election within 60 days of your change in status. (**Special rule for bonus pay:** If you are already contributing from basic pay, you may elect to contribute from bonus pay at any time.)

To stop your contributions, submit this form at any time. (See Section III.)

Your TSP election will stay in effect until you submit another election to change or stop your contributions, or you separate from service. Consequently, if you elect to contribute from bonus pay, your election will cover future installments or any other bonus pay to which you become entitled, until you specify otherwise.

Pay categories are defined in Chapter 5 of title 37, U.S.C. **Basic pay** for active duty is defined in section 204; section 206 defines pay for Ready Reserves (e.g., inactive duty for training (IDT) pay). Chapter 5 also defines **incentive pay** (e.g., flight pay, submarine pay, hazardous duty pay), **special pay** (e.g., medical and dental officer pay, hardship duty pay, career sea pay) and **bonus pay** (e.g., enlistment and reenlistment bonuses). (Although bonus pay is generally a form of special pay, it is treated separately from special pay for TSP purposes.)

If you change your address, notify your service's office that is responsible for your TSP enrollment so that your service can correct your records for your TSP account.

To allocate your contributions among the five investment funds, use the TSP Web site (www.tsp.gov), the ThriftLine ((504) 255-8777), or Form TSP-U-50, Investment Allocation. If you use the Web site or ThriftLine, you will need your Social Security number and your TSP Personnel Identification Number (PIN). If you are a new participant, you will receive your PIN by mail after your account has been established. If you choose to submit Form TSP-U-50, do not do so until you receive a letter from the TSP record keeper confirming that your new account has been established.

SECTION I

Complete all items in this section. In Item 4, provide the telephone number at which you can most easily be reached during the day.

SECTION II

Complete this section to start or change the amount of your contributions.

Item 7. Percentage of Basic Pay per Pay Period. You may contribute up to the limits specified below (but you may not exceed the Internal Revenue Code (IRC) annual limits).

For pay periods beginning in:	The maximum contribution allowed from basic pay is:
2002	7%
2003	8%
2004	9%
2005	10%
2006 and thereafter	TSP contribution limits eliminated

Items 8, 9, 10. Percentage of Incentive Pay, Special Pay, or Bonus Pay per Pay Period. If you elect to contribute from basic pay, you may also elect to contribute from 1% to 100% of any incentive pay, special pay, or bonus pay that you receive (but your total contributions for the year cannot exceed the IRC limits). If you are not now receiving incentive pay, special pay, or bonus pay, your election will take effect whenever you become entitled to this pay.

Internal Revenue Code section 402(g) and section 415(c) may limit your annual contributions. See the *Summary of the Thrift Savings Plan for the Uniformed Services* for more information about these statutory limitations.

SECTION III

Complete this section to stop your contributions. If you stop your contributions from basic pay (Item 11), your service will automatically stop your contributions from incentive pay, special pay, and bonus pay. However, you may stop contributing from incentive pay, special pay, or bonus pay and still continue your contributions from basic pay.

If you stop contributions during a TSP open season, you may resume them in the next open season. If you stop your contributions outside an open season, you must wait until the second open season following the termination to resume your contributions. If you stop contributions from a bonus, you may elect to reinstate the bonus pay election at any time.

SECTION IV

You must complete this section.

SECTION V

(To be completed by service official)

In **Item 18**, enter the effective date of the election. If a participant chooses to stop contributing to the TSP (Section III), complete **Item 19**, entering the date on which the member may resume contributing. In **Item 21**, enter the date the form is received by the office responsible for TSP enrollment.

GENERAL INFORMATION

You may make your investment allocation request in any of three ways:

- **TSP Web Site — www.tsp.gov** (Account Access section). If you have Internet access and your browser supports 128-bit encryption, you can make your request in the secure area of the TSP Web site. You will need your Social Security number (SSN) and your TSP Personal Identification Number (PIN) for this account. Your request is recorded immediately, avoiding the mailing and processing time of a paper request. **Note:** Do not confuse your TSP PIN with a PIN that your service assigned to you to use with its pay system.
- **TSP ThriftLine — (504) 255-8777**. You must call from a touch-tone telephone. You will need your SSN and TSP PIN. Your request is recorded immediately, avoiding the mailing and processing time of a paper request.
- **Form TSP-50**. Complete, sign, and date the front of this form and mail it to the TSP Service Office. Do not submit this form to your service. Your service cannot process contribution allocations or interfund transfers.

Your request will be processed as follows:

Contribution allocation requests are ordinarily posted to your account within 2 business days after they are received.

Interfund transfer requests received by midnight (central time) on the 15th of the month will be posted to your account as of the last day of that month. (If the 15th of the month falls on a weekend, holiday, or other nonbusiness day, the deadline will be the next business day.) Requests received after the deadline will be posted to your account as of the last day of the following month.

INVESTMENT CONSIDERATIONS

Your TSP account is invested for your retirement, and you should make your investment decisions with this long-term goal in mind. Review the information available about the TSP funds so that you understand the risks involved and the possible effects of your decision on your TSP account.

Read the *Summary of the Thrift Savings Plan for the Uniformed Services*, which describes each of the funds in detail. The Plan Summary is available from your service personnel office or, if you have left Government service, from the TSP Service Office. It is also available on the TSP Web site. Recent historical rates of return for the TSP funds and related indexes are available on the TSP Web site and in the *TSP Highlights* that accompanies your participant statement. More detailed information is also in the *Guide to TSP Investments*, available from your service personnel office or the TSP Web site.

INSTRUCTIONS FOR FORM TSP-U-50

This form is designed to be read by an optical scanner. Carefully type or print your information within the green boxes. Use black or dark blue ink. Try to make your numbers look like the sample numbers on the front of the form.

I. Information About You

Social Security Number. Enter a number in each box. Do not fill in the hyphens. They are already provided.

Date of Birth. Enter the month and day. **Do not** use leading zeros on single-digit months and days. Enter the last 2 digits of the year. For example, for the date February 4, 1953, you would write:

2 - 4 - 1 9 5 3

II. Your Investment Allocation

You can use this form to allocate the way your contributions are invested each pay period, or to request that the money already in your account be redistributed among the funds, or both.

Allocate Future Contributions. If you are using this form to specify the way your future contributions should be invested, complete **Column 1**. Your allocation will affect **all** subsequent contributions (as well as loan payments and transfers from other plans to your TSP account) until you change it.

Note: If you are newly enrolled in the TSP and you are making your first contribution allocation for your TSP account, do not submit this form until you have received your New Account Letter, which confirms that your account has been established.

Make an Interfund Transfer. If you are using this form to change the way your current account balance is invested in the TSP funds, complete **Column 2**. Each interfund transfer is a one-time transaction and affects your entire account balance as of the effective date of the transfer. You may make one transfer per month.

Enter the percentage you would like to invest in each fund. If you do not want to invest in a fund, leave the boxes for that fund blank. **Do not** use leading zeros for numbers less than 100. For example,

5% would look like this: 5 .0%

26% would look like this: 2 6 .0%

The total of the percentages entered in each column must equal 100%.

III. Signature

You must sign and date this form. By signing this form, you are acknowledging the risk of investing in the F, C, S, and I Funds.

Do not use leading zeros in the date. Do not allow any portion of your signature to enter the date boxes to the right of the signature line. Provide your daytime telephone number (**not** Autovon) and mailing address so that the TSP Service Office will be able to contact you if there is a question about your request.

CONFIRMATION OF THE ALLOCATION OR TRANSFER

A confirmation notice will be mailed to you at the address in your TSP account record. In addition, you can review the result of your contribution allocation or interfund transfer by accessing the TSP Web site or by calling the ThriftLine after your request has been processed.

Note: If your address is not correct on your most recent participant statement, contact your service personnel office immediately to have it corrected. If you have left Federal Government service, complete Form TSP-U-9, Change of Address for Separated Participants, and mail it to the TSP Service Office.

PRIVACY ACT NOTICE. We are authorized to request this information under 5 U.S.C. Chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your account. We will use the information you provide on this form to process your investment allocation request. This information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. In addition, we may share the information with law enforcement agencies

investigating a violation of civil or criminal law, or agencies implementing a statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries. We may also disclose relevant portions of the information to appropriate parties engaged in litigation. You are not required by law to provide this information, but if you do not provide it, we will not be able to process your investment allocation request.



THRIFT SAVINGS PLAN DESIGNATION OF BENEFICIARY

TSP-U-3

Use this form to designate a beneficiary or beneficiaries to receive your uniformed services Thrift Savings Plan (TSP) account after your death. **Read the instructions on the back to assist you in completing this form.** Type or print the information requested. Do not alter this form or the information you enter; if you need to make a correction or change your entries, start over on a new form. If you have a civilian TSP account, you will need to make a separate TSP beneficiary designation for that account on Form TSP-3.

I. INFORMATION ABOUT YOU

1. Name _____
Last First Middle

2. _____ - _____ - _____ **3.** _____ / _____ / _____ **4.** (_____) _____
Social Security Number Date of Birth (Month/Day/Year) Telephone (not Autovon)

5. Address _____
Street Address or Box Number

6. _____ **7.** _____ **8.** _____
City State Zip Code

II. DESIGNATING YOUR BENEFICIARIES

Indicate in whole percentages or fractions the share of your uniformed services TSP account to be paid to each beneficiary.

1. _____ **Share:** _____
Beneficiary Name (Last) (First) (Middle)

Street Address or Box Number

City State Zip Code

Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

2. _____ **Share:** _____
Beneficiary Name (Last) (First) (Middle)

Street Address or Box Number

City State Zip Code

Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

3. _____ **Share:** _____
Beneficiary Name (Last) (First) (Middle)

Street Address or Box Number

City State Zip Code

Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

Check here if additional pages are used. Number of additional pages _____ (See back of form.)

III. YOUR SIGNATURE

Sign and date this section. Your signature must be witnessed in Section IV.

Participant's Signature Date Signed

IV. WITNESSES TO SIGNATURE

This form is valid only if it is witnessed by two persons. The witnesses must be age 21 or older. (A witness cannot be a beneficiary of any portion of your TSP account.) By signing below, the witnesses affirm that the participant (a) signed Section III in their presence, or (b) informed them that the signature in Section III is the participant's own signature.

Witness 1 _____
Typed or Printed Name of First Witness Signature of First Witness

Witness 2 _____
Typed or Printed Name of Second Witness Signature of Second Witness

INFORMATION AND INSTRUCTIONS

Make a copy of this form for your records. Mail the original to:

Thrift Savings Plan Service Office
National Finance Center
P.O. Box 61135
New Orleans, LA 70161-1135
Telephone number: (504) 255-6000
TDD: (504) 255-5113

Your semiannual participant statement will show the date of your most recent designation.

Designating a beneficiary. This Designation of Beneficiary form applies **only** to the disposition of your uniformed services Thrift Savings Plan (TSP) account after your death. It does not affect the disposition of your civilian TSP account or the disposition of your uniformed services retirement benefits or any other benefits.

It is only necessary to designate a beneficiary if you want payment to be made in a way other than the following order of precedence:

1. To your widow or widower.
2. If none, to your child or children equally, and descendants of deceased children by representation.
3. If none, to your parents equally or to the surviving parent.
4. If none, to the appointed executor or administrator of your estate.
5. If none, to your next of kin who is entitled to your estate under the laws of the state in which you resided at the time of your death.

In this order of precedence, a child includes a natural child and an adopted child, but does not include a stepchild whom you have not adopted; parent does not include a stepparent, unless your stepparent has adopted you. "By representation" means that if one of your children dies before you do, that child's share will be divided equally among his or her children.

Making a valid designation. To name beneficiaries to receive your uniformed services TSP account after you die, you must complete this form, and it must be received by the TSP on or before the date of your death. Do not submit a will to designate beneficiaries for your TSP account; a will is not valid for the disposition of a TSP account. You may, however, designate an estate or trust on Form TSP-U-3.

You are responsible for ensuring that your Form TSP-U-3 is properly completed, signed, and witnessed (see the Instructions for Section II in the right-hand column). Do not submit an altered form; if you need to correct or change the information you have entered on the form, start over on a new form.

Changing or cancelling your designation of beneficiary. This Designation of Beneficiary will stay in effect until you submit another valid Form TSP-U-3 naming other beneficiaries or cancelling prior designations.

Keep your designation (and your beneficiaries' addresses) current. If your family status changes due to marriage, birth or

adoption of a child, divorce, or death, you may want to change your designation.

If your beneficiaries predecease you. The share of any beneficiary who dies before you die will be distributed proportionally among the surviving designated TSP beneficiaries unless a designated contingent beneficiary is alive at your death. If none of your designated beneficiaries is alive at the time of your death, the standard order of precedence will be followed.

INSTRUCTIONS FOR SECTION II. You may name as a beneficiary any person, corporation, trust, or legal entity, or your estate. Note: If the beneficiary is a minor child, benefits will be made payable directly to the child.

If you need additional space, use a blank sheet of paper. Enter your name, Social Security number, and date of birth, and number the pages. You must sign and date **all** additional pages; the same two witnesses who signed the form must also sign each additional page.

Enter the share for each beneficiary as a whole percentage or a fraction. Percentages must add up to 100 percent; fractions must add up to 1.

The examples show you how to name a beneficiary or cancel prior Designations of Beneficiary.

- For each person you designate as a beneficiary, enter the full name, share, address, Social Security number (SSN), date of birth, and relationship to you. If you do not have all the requested information, you must provide at least the beneficiary's name, the beneficiary's share, and either the SSN or date of birth.
- You may designate one or more contingent beneficiaries, but **only** to receive a beneficiary's share if that beneficiary dies before you do.
- If the beneficiary is a corporation or other legal entity, enter the name of the entity on the name line. Enter the legal representative's name and address on the address lines. Enter the Employer Identification Number (EIN). Leave the date of birth and relationship blank.
- If the beneficiary is a trust, enter the name of the trust on the name line. Enter the trustee's name and address on the address lines. Enter the EIN, if available. Leave date of birth blank. Enter "Trust" on the relationship line. Note: Filling out this form will not create a trust.
- If the beneficiary is an estate, enter the name of the estate on the name line. Enter the executor's name and address on the address lines. Enter the EIN, if available. Leave date of birth blank. Enter "Estate" on the relationship line.

INSTRUCTIONS FOR SECTION IV. Do not ask the individuals you name as beneficiaries of your TSP account to witness your Form TSP-U-3. A person named as a TSP beneficiary who is also a witness cannot receive his or her share.

PRIVACY ACT NOTICE. We are authorized to request this information under 5 U.S.C. Chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your account. We will use the information you provide to process your TSP election. This information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. In addition, we may share the information with law enforcement agencies investigating a violation of civil or

criminal law, or agencies implementing a statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries. We may also disclose relevant portions of the information to appropriate parties engaged in litigation. You are not required by law to provide this information, but if you do not provide it, we will not be able to process your Designation of Beneficiary.

EXAMPLES OF DESIGNATING A BENEFICIARY

I. DESIGNATING ONE BENEFICIARY

1. **Morgan Katherine Anne** Share: **100%**
 Name (Last) (First) (Middle)
1279 Lake Avenue
 Street Address or Box Number
New Orleans LA 70124
 City State Zip Code
923-45-6789 6/22/42 Sister
 Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

Do not write name as K.A. Morgan or as Mrs. Keith H. Morgan.

II. DESIGNATING MORE THAN ONE BENEFICIARY

1. **Larson Susan Maria** Share: **1/4**
 Name (Last) (First) (Middle)
4231 Oregano Street
 Street Address or Box Number
Cincinnati OH 45239
 City State Zip Code
934-56-7890 9/7/50 Sister
 Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

Be sure that the shares to be paid to the beneficiaries add up to 100 percent if using percentages, or to 1 if using fractions.

2. **Larson Elliott Harris** Share: **1/4**
 Name (Last) (First) (Middle)
4231 Oregano Street
 Street Address or Box Number
Cincinnati OH 45239
 City State Zip Code
945-67-8901 4/20/52 Brother
 Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

If you use additional pages, be sure to put your name, Social Security number, and date of birth on each page. You and the same two witnesses (who are not beneficiaries) must sign each page. Put the date you signed the form on each additional page.

3. **Steinway Sarah Ruth** Share: **1/2**
 Name (Last) (First) (Middle)
P.O. Box 812
 Street Address or Box Number
Covington KY 40117
 City State Zip Code
956-78-9012 12/2/60 Friend
 Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

III. DESIGNATING A CONTINGENT BENEFICIARY

If living:
 1. **Kraus Michael Thomas** Share: **70%**
 Name (Last) (First) (Middle)
6287 Laurel Post Drive
 Street Address or Box Number
Stone Mountain GA 30058
 City State Zip Code
967-89-0123 3/12/36 Father
 Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

You may designate one or more contingent beneficiaries, but only to receive a beneficiary's share if that beneficiary dies before you do. Note: If a named beneficiary dies, you may prefer to submit another Form TSP-U-3 to change your designation(s).

Otherwise to:
 2. **Kraus Cecilia Jean** Share: **70%**
 Name (Last) (First) (Middle)
6287 Laurel Post Drive
 Street Address or Box Number
Stone Mountain GA 30058
 City State Zip Code
978-90-1234 8/16/44 Stepmother
 Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

In this example, Cecilia Kraus is the contingent beneficiary for Michael Kraus only.

3. **Richardson Melissa Anne** Share: **30%**
 Name (Last) (First) (Middle)
9842 Magnolia Drive
 Street Address or Box Number
Columbus GA 30161
 City State Zip Code
989-01-2345 11/6/70 Sister
 Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

If Cecilia Kraus is also to receive the share of Melissa Richardson in the event that Melissa dies before you do, Cecilia should be named as the contingent beneficiary for Melissa Richardson in the same manner as she was for Michael Kraus.

EXAMPLES OF DESIGNATING A BENEFICIARY (continued)

**IV.
DESIGNATING A
CORPORATION
OR LEGAL
ENTITY**

1. The XYZ Foundation **Share: 100%**
Name [Name of corporation or legal entity]
c/o Eleanor Jarvis, Legal Representative 64730 Connecticut Ave.
Street Address or Box Number [Name of Legal Representative and Legal Representative's address]
Bethesda MD 20815
City State Zip Code
99-0123456 [Leave blank] [Leave blank]
Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

**V.
DESIGNATING
A TRUST**

1. John P. Manos Trust **Share: 100%**
Name [Name of trust]
c/o Eric P. Manos, Trustee 1111 Delaware Lane
Street Address or Box Number [Name of Trustee and Trustee's address]
New York NY 14607
City State Zip Code
92-3456789 [Leave blank] **Trust**
Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

**VI.
DESIGNATING
AN ESTATE**

1. Estate of Ruth R. Jones **Share: 100%**
Name [Name of estate]
c/o Marilyn D. McClain, Executor 150 Rossmoyne Drive
Street Address or Box Number [Name of Executor and Executor's address]
Alameda CA 94510
City State Zip Code
[If available] [Leave blank] **Estate**
Social Security Number/EIN Date of Birth (Month/Day/Year) Relationship

**VII.
CANCELLING A
DESIGNATION OF
BENEFICIARY**

1. Cancel prior designations **Share: _____**
Name (Last) (First) (Middle)
Street Address or Box Number
City State Zip Code
Social Security Number/EIN / / Date of Birth (Month/Day/Year) Relationship

This will cause your account to be paid according to the order of precedence (unless you submit another Form TSP-U-3).

Please note the information in [square brackets] must be filled in by the member's service as indicated. Instructions to the member's service are set forth in {curly brackets}

SAMPLE LETTER TO BE PROVIDED BY SERVICES TO NEW MEMBERS

As a member of the [insert Service name], you are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a retirement savings and investment plan for Federal civilian employees and for uniformed service members.

Your TSP contributions are deducted from the pay you earn each pay period and are tax-deferred for purposes of Federal and, in most cases, state income tax. Earnings attributable to your contributions grow tax free until you withdraw them.

Beginning your contributions. You have 60 days from the date (your pay entry basic date) you first become eligible to receive basic pay (which includes IDT drill pay) to make an election to begin contributing to your TSP account. To make a contribution election, complete the enclosed Form TSP-U-1, Election Form, and return it to [insert office name] by [insert date]. *{If members may, or must, make electronic contribution elections, revise this sentence accordingly.}*

If you do not make a contribution election within this 60-day period, you must wait until a TSP open season to make a contribution election. The TSP has two open seasons each year: May 15 through July 31 and November 15 through January 31.

You must specify a whole percentage of basic pay up to [*]% that you want to contribute each pay period. If you elect to contribute from basic pay, you may also elect to contribute from incentive pay or special pay (including bonus pay). You may elect to contribute from one to one hundred percent of the incentive pay, special pay, or bonus pay that you receive. If you believe you may become entitled to incentive pay, special pay, or bonus pay, you may elect now to make contributions from them, and this election will take effect when you receive that pay.

Your TSP election remains in effect until you submit another contribution election or you separate from service. For example, if you elect to contribute from bonus pay, your election will cover future installments or any other bonuses to which you become entitled. If this is not your intent, you will need to make another contribution election to terminate or change your contributions from bonus pay.

* In 2002, members of the uniformed services may contribute up to 7% of the basic pay they earn each pay period to the TSP. This will increase by 1% each year for the next four years, and in 2006, the limit will be lifted and members will be subject only to the limits of the Internal Revenue Code. Thus, for letters issued in 2002, this figure should be 7%; for 2003, this figure should be 8%, and so forth.

Changing your contributions. To change the amount you are contributing to the TSP from basic pay, incentive pay, or special pay (but not including bonus pay), you must make another contribution election during a TSP open season. To change the amount you are contributing to the TSP from bonus pay, you may make another contribution election at any time.

Terminating your contributions. To stop your contributions, you may submit a contribution election at any time. If you stop your contributions from basic pay, your contributions from all other sources of pay will also be stopped. If, however, you stop your contributions from incentive pay, special pay, or bonus pay, you may continue to make contributions from basic pay.

If you submit a contribution election to stop your contributions from basic pay, incentive pay, or special pay, you may elect to resume contributions from these types of pay during the next open season. If you elect to stop your contributions from these types of pay (except bonus pay) outside an open season, you may not elect to resume contributions from these sources of pay until the second open season after the effective date of the termination. If you terminate your contributions from bonus pay, you may elect to resume contributions from bonus pay at any time so long as you continue contributions from basic pay.

Allocating contributions. You may invest your contributions in any of the five TSP investment funds. To direct the investment of the contributions that will be made to your account each pay period, you must request a contribution allocation by using the TSP Web site (www.tsp.gov) or the ThriftLine (504-255-8777), or by mailing Form TSP-U-50, Investment Allocation, to the TSP record keeper. If you use the Web site or the ThriftLine, you will need your TSP Personal Identification Number (PIN). Your contribution allocation will remain in effect until you request a different allocation.

The TSP record keeper, the National Finance Center (NFC), will notify you when your account is established; this notification will include your 4-digit TSP PIN. After you receive this notification, you may request a contribution allocation at any time. **Until you request a contribution allocation, your contributions will be invested in the Government Securities Investment (G) Fund.** (Note: If you have a TSP account as a result of a civilian appointment, you will receive a different PIN to access your uniformed services account. You must make separate contribution allocations for each account.)

Changing the investment of your account balance. You may also use the TSP Web site, the ThriftLine, or Form TSP-U-50 to request an interfund transfer. An interfund transfer will change the way money already in your account is invested. Please note that an interfund transfer is different from a contribution allocation, which changes only the investment of future contributions to your account. If you want to change the investment of both your account balance and future contributions to your account, you must request both an interfund transfer and a contribution allocation. You may request an interfund transfer at any time. However, interfund transfers are processed only once a month and affect your account balance as of the end of the relevant month. (Note: If you have a TSP account as a result of a civilian appointment, you must request separate interfund transfers for each account.)

Additional information. The attached booklet *Summary of the Thrift Savings Plan for the Uniformed Services* contains more information about the TSP. It discusses participation and contribution rules, investment options, loans, withdrawals, and other important TSP information (e.g., designating TSP beneficiaries or the actions you must take to manage your accounts if you have both a uniformed services and civilian account). Please read this booklet before you make a TSP contribution election and retain it for future reference.

For additional information about the TSP investment funds, contribution allocations, and interfund transfers, see the *Guide to TSP Investments*, which is available at the [insert office name] or from the TSP Web site.

All TSP products and forms are available from the TSP Web site. This site also contains other information about the TSP and, when you enter your Social Security number and TSP PIN, allows you to obtain information about your account. You may want to visit the TSP Web site before you make a contribution election.

Questions. If you have any questions about the TSP and your participation, contact [insert Service contact and other information, as appropriate.]

{Attachment: *Summary of the Thrift Savings Plan for the Uniformed Services*}