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THRIFT SAVINGS PLAN FOR NEW HIRES

The Thrift Savings Plan (TSP) is a retirement benefit offered to employees of the U.S. Government. Administered by the Federal Retirement Thrift Investment Board, the TSP gives you the opportunity to participate in a long-term retirement savings and investment plan.

It is your responsibility to set your financial goals for retirement, and saving through the TSP plays an important role from your first day of employment on. Participating in the TSP can significantly increase your retirement income, but starting early is important. Contributing early gives the money in your account more time to increase in value through the compounding of earnings.

ELIGIBILITY

All employees covered by FERS, CSRS, or CSRS Offset are eligible to participate in the TSP. Participation rules vary based on your retirement system. However, CSRS employees do not receive agency matching funds.

ENROLLMENT

ENROLLMENT IS AUTOMATIC UPON EMPLOYMENT UNLESS YOUR POSITION IS EXCLUDED FROM COVERAGE

As a newly hired FERS employee, your agency will set up a TSP account for you and will automatically contribute an amount equal to 1% of your basic pay each pay period. Newly hired employees are automatically enrolled in the TSP at a contribution rate of 3%, with the option of changing this rate or waiving contributions altogether. You can elect to contribute up to the IRC maximum deferral limit or waive contributions altogether.

You are eligible for matching contributions up to 5% of pay.

All new money coming into your TSP account is automatically invested in the age-appropriate Lifecycle (L) Fund. If you would like it to be invested differently, you need to make a contribution allocation. It is recommended that new enrollees research all of TSP's investment fund options and make the necessary changes to their accounts that best suit their needs.

New enrollees will receive information from TSP in the mail regarding the establishment of their account, investment fund information, and account management instructions.

CSRS employees are generally eligible to participate in the Thrift Savings Plan, but they do not receive agency contributions to their TSP accounts; however, they can contribute as much as they choose up to the Internal Revenue Service annual limit on tax-deferred contributions.

There are four ways you can enroll, decline enrollment, change enrollment, or terminate your enrollment:



- Online by going to the [Judiciary Benefits Center \(JBC\) website](#)
- Over the phone by calling the JBC Line at 1-877-207-3220
- By signing and mailing the enrollment form [TSP-1](#) to:

Judiciary Benefits Center
P.O. Box 18031
Norfolk, VA 23501-1885

- By faxing your enrollment to the Judiciary Benefit Center at 1-855-904-0348.

EFFECTIVE DATES

TSP elections are effective the first day of the following pay period after the TSP-1/TSP-1C is received by Conduent.

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YOUR CONTRIBUTIONS

You can contribute any dollar amount or percentage of your basic pay to your TSP account up to the annual IRC maximum deferral limit, which for 2020 is \$19,500. For more information on contribution limits, visit the [TSP website](#).

If you wish to contribute the maximum deferral limit, you can use a [calculator](#) on the TSP website to help you figure out the correct amount to contribute each pay period. It is critical for FERS covered employees to spread out their intended annual contributions over the entire year in order to receive the maximum in possible matching contributions.

There are two ways you can contribute to your TSP account.

• Before Tax Contributions

TSP Traditional: With "TSP Traditional" contributions, the money you contribute to the TSP is taken out of your pay each period **before** Federal and (in almost all cases) state income taxes are calculated. This reduces your taxable income, so less money is withheld from your pay for taxes.

You do not pay Federal income taxes on your contributions until you withdraw the money at retirement – at which time you may be in a lower tax bracket. In addition, the money in your account (your contributions and agency contributions) may accrue earnings over time. These accrued earnings are also tax-deferred, which means you do not pay taxes on these earnings until they are withdrawn.

• After Tax Contributions

Roth TSP: With the Roth TSP, the money you contribute to the TSP is taken out of your pay each pay period *after* Federal and state taxes are calculated and withheld. This means your take-home pay will be less when making a Roth TSP contribution compared to an equivalent amount made for a Traditional contribution. Like TSP Traditional contributions, Roth TSP contributions will receive agency matching contributions.

Roth TSP contributions provide a tax break at retirement because these contributions are made with after-tax money and grow tax-free in your account. After meeting certain requirements, Roth TSP withdrawals on your contributions and any earnings are tax-free at retirement.

IMPORTANT: New elections will override your current contributions. If you want to contribute to the Traditional **AND** Roth TSP, you must fill in both options in Section II of the form.

CATCH-UP CONTRIBUTIONS

You can begin making [catch-up contributions](#) at any time beginning in the year you turn 50. Catch-up contributions are also deducted from your pay. To be eligible to make catch-up contributions, you must expect to contribute the maximum amount allowed of regular employee contributions for the year to the TSP or to an equivalent tax-deferred employer plan, such as a private sector 401(k) or nonprofit 403(b) employer plan.

Your catch-up contributions will stop automatically when you reach the catch-up contribution limit or at the end of the calendar year, whichever comes first.

You must make a new catch-up contribution election each calendar year. For 2020, the catch-up contribution limit is \$6,500.

Be aware that if you are a FERS participant, you will not receive matching contributions on any catch-up contributions that you contribute to the TSP.

For more information, visit [Contribution Limits](#) on the TSP website.

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AGENCY CONTRIBUTIONS

If you are a FERS employee, you will receive Agency Matching Contributions from the Judiciary based on your regular employee contributions. For FERS employees, your agency will set up a TSP account for you and will automatically contribute an amount equal to 1% of your basic pay each pay period. These agency automatic (1%) contributions are not taken out of your basic pay, and your agency makes these contributions whether or not you contribute your own money.

The more money you contribute, the higher the matching amount of the agency, up to 5% of your pay:

- The first 3% of pay you contribute will be matched dollar for dollar (100%)
- The next 2% of pay you contribute will be matched at 50 cents on the dollar (50%)

While your agency will only provide matching contributions on your contributions up to 5% of your basic pay each pay period, you still benefit from before-tax savings and tax-deferred earnings on amounts you contribute in excess of 5%. Unlike the agency automatic contributions, matching contributions are not subject to the vesting requirement.

If you separate from the Judiciary, you can keep the agency automatic contributions if you are vested in your account. The vesting requirement is three years of creditable civilian service for most FERS employees, and once you are vested, you are always vested.

CSRS and CSRS Offset employees are not eligible for agency matching contributions.

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INVESTMENTS

The TSP offers you two approaches to investing your money: Investment Funds and Lifecycle (L) Funds.

Investment Funds: You make your own decisions about your investment mix by choosing from any or all of the TSP investment funds: G, F, C, S, and I.

The five TSP investment funds are:

- **G Fund** – Government Securities Investment Fund. Investment objective is to produce a rate of return that is higher than inflation while avoiding exposure to credit (default) risk and market price fluctuations.
- **F Fund** – Fixed Income Index Investment Fund. Investment objective is to match the performance of the Barclays Capital U.S. Aggregate Bond Index, a broad index representing the U.S. bond market.
- **C Fund** – Common Stock Index Investment Fund. Investment objective is to match the performance of the Standard and Poor's 500 (S&P 500) Index, a broad market index made up of stocks of 500 large to medium-sized U.S. companies.

- **S Fund** – Small Cap Stock Index Investment Fund. Investment objective is to match the performance of the Dow Jones U.S. Completion Total Stock Market Index, a broad market index made up of stocks of U.S. companies not included in the S&P 500 Index.
- **I Fund** – International Stock Index Investment Fund. Investment objective is to match the performance of the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) Index.

L Funds or Lifecycle Funds – You pick a time horizon for when you will need the money in your account and an L Fund provides a professionally designed mix of stocks, bonds, and Government securities.

The L Funds, or "Lifecycle" funds, use professionally determined investment mixes that are tailored to meet investment objectives based on various time horizons. The objective is to strike an optimal balance between the expected risk and return associated with each fund. The progression from a target date L Fund to the L Income Fund is automatic and requires no employee action.

L Funds are managed by TSP and their financial consulting team.

You can determine when you will need to access your money after leaving Federal service and identify which L Fund matches that tentative date:

- **L 2020 Fund** – Investment objective is to achieve a moderate to high level of growth with a low emphasis on preservation of assets. Tentative date between 2015 and 2024.
- **L 2030 Fund** – Investment objective is to achieve a high level of growth with a low emphasis on preservation of assets. Tentative date between 2025 and 2034.
- **L 2040 Fund** – Investment objective is to achieve a high level of growth with a very low emphasis on preservation of assets. Tentative date between 2035 and 2044.
- **L 2050 Fund** – Investment objective is to achieve a high level of growth with a very low emphasis on preservation of assets. Tentative date of 2045 or later.
- **L Income Fund** – Investment objective is to achieve a low level of growth with a high emphasis on preservation of assets.

Visit the [TSP website](#) and check Investment Funds > Funds Overview for a fund comparison matrix; and Investment Funds > Fund Performance for share price history and returns information.

You can allocate your TSP contributions to the funds you want to invest in through a contribution allocation. Your contribution allocation will apply to all future contributions to your account. These include employee contributions; agency contributions (automatic and matching) you receive if you are a FERS employees; any money you move into the TSP from other retirement plans; and any TSP loan payments. Your contribution allocation will not affect money that is already in your account and will remain in effect until you submit another contribution allocation. You can make a contribution allocation at any time. For details, visit the [TSP website](#) and check Plan Participation > Account Management > Contribution Allocations.

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TOOLS

- **Judiciary Benefits Center** - Your online election portal. Use this website to enroll in any or all of the Federal Judiciary Benefits Programs. You can elect or make changes to your benefits anytime during your 60 day enrollment period. After this time, you will only be able to change elections as individual programs allow.
- **TSP-1 Enrollment Form** (pdf)
- **TSP Calculators** – Use these calculators to help you plan for a comfortable retirement.
- **TSP Website** – Visit the TSP website for account access, plan participation, investment funds, planning & tools, life events, and participation support.
- **Program Summary Booklet** – This is a downloadable summary of the Thrift Savings Plan.
- **Withdrawal Booklet for Separating Employees** – This is a downloadable summary of withdrawing your TSP account after leaving Federal service.
- **Bi-weekly Effective Dates** (pdf)
- **Monthly Effective Dates** (pdf)
- **ThriftLine** - From a touch-tone telephone, you can find out the latest information about the TSP (such as share prices and rates of return), as well as information about your TSP account. You can also request certain account transactions. You will need your TSP account number and your 4-digit TSP Personal Identification Number (PIN).
 - **1-TSP-YOU-FRST (1-877-968-3778)**
 - **TDD: 1-TSP-THRIFT5 (1-877-847-4385)**

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