

TSP

Pre-Separation

A briefing for participants within 10 years of separation.

Presented by Randy Urban, RPA

TSP Training and Liaison Specialist



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77 K Street, NE · Washington, DC · 20002
1-877-968-3778 · tsp.gov

tsp4gov @



Agenda

- First Steps: Preparing for Separation
- Turning Savings to Income:
 - The TSP Retirement Income Options
- Withdrawal Rules: Other Considerations
- Planning Your Legacy: TSP Death Benefits
- Putting it all Together: TSP Resources



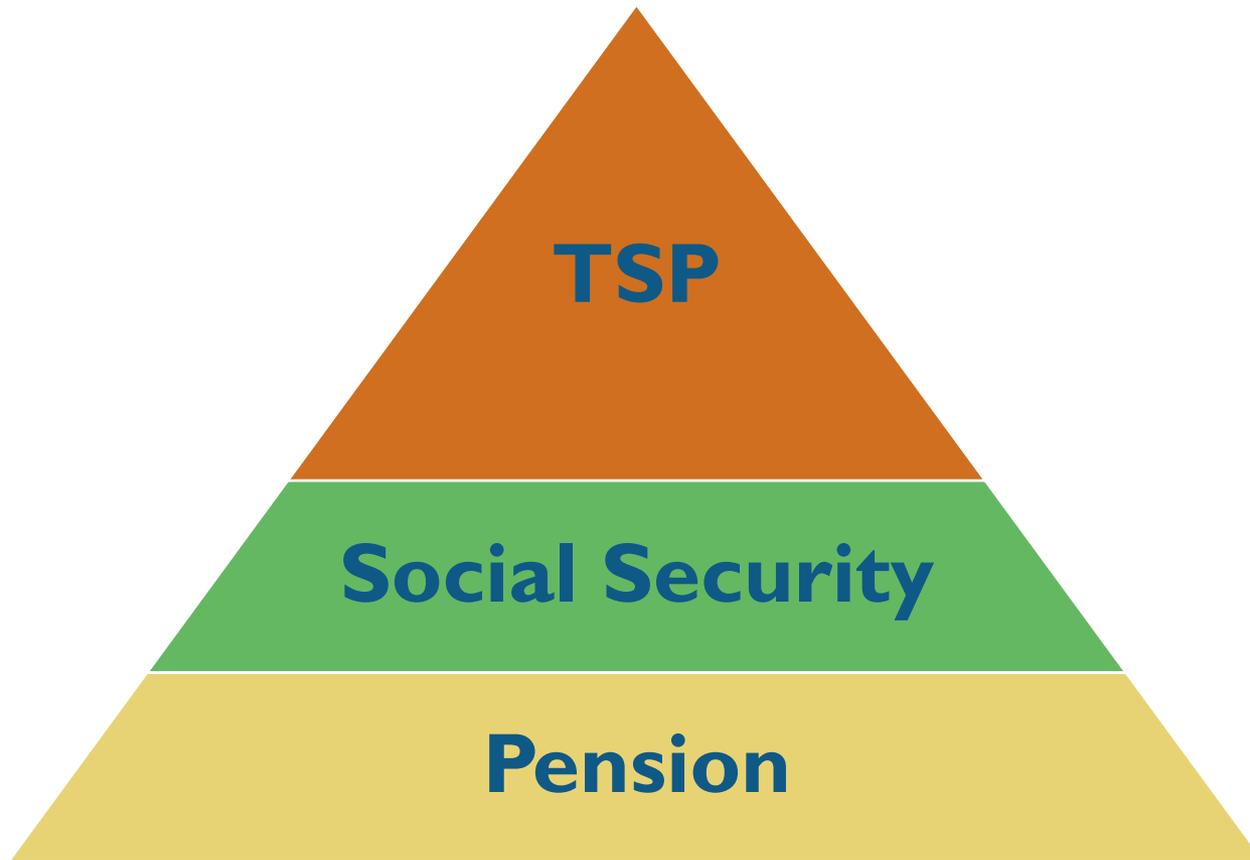
Preparing for Separation

First Steps



Thrift Savings Plan

Components of Retirement Income



Your TSP Savings Goal

$$\begin{array}{r} \textit{Expected need} \\ - \textit{Expected fixed income} \\ \hline \textit{TSP SAVINGS GOAL} \end{array}$$



Contribution Considerations

The limits on your TSP contributions are annual limits



If you embark on a second career, your TSP contributions will be aggregated with contributions to other employer plans made during the same calendar year

It is permissible to contribute the maximum amount over less than the full tax year



Have I Saved Enough for Retirement?

Calculators

**How Much Should I Save?
(Ballpark Estimate)**

How Much Will My Savings
Grow?

How Much Can I Contribute?

Paycheck Estimator

Contribution Comparison
Calculator

Retirement Income
Calculator

TSP Monthly Payment
Calculator

Estimate Loan Payments

How Much Should I Save? (Ballpark Estimate)

The TSP is one source of your retirement income. Other major sources of retirement income include your FERS Basic Annuity or CSRS annuity (or your retired pay if you are a member of the uniformed services), Social Security benefits, individual retirement accounts (IRAs), and other savings. To find out how much you need to save for retirement, link to the Federal Government Employees Ballpark Estimate calculator below. The calculator was developed by the American Savings Education Council to calculate how much you need to save each year from now until retirement based on your estimates of retirement income and existing savings.

i In-depth Retirement Planning

The Ballpark Estimate calculator is just the first step in retirement planning. For more in-depth planning, you may want to consult a financial advisor or your agency's or service's retirement or benefits counselor, visit the Office of Personnel Management website at www.opm.gov, read books and articles on retirement planning, or use more detailed software to test a variety of assumptions for estimated benefits, expenses, and rates of return.

What You Need for the Ballpark Estimate Calculator

Where to Find Information

- | | |
|---|--|
| 1 Estimate of annual income from FERS Basic Annuity or CSRS annuity. | Contact your agency or service personnel office to find out how to estimate your annual income from your FERS or CSRS annuity. |
| 2 Social Security benefit estimate, if applicable | Get your personalized benefit estimate online by requesting your Social Security Statement at www.socialsecurity.gov/myaccount . |
| 3 Current savings balances | Access your most recent account balance in My Account , or you can call the ThriftLine . Include savings from other retirement investment accounts, as well. |

[Go to Ballpark Estimate Calculator](#)

Maximizing Your Match

- Ed = \$3,000 basic/pay period, contributes 31%
- Susan = \$3,000 basic/pay period, contributes \$712

| ED | 31% EC | 4% Match |
|---------------------|-----------------|----------------|
| PC #1 to PC #20 | \$930 each | \$120 each |
| PC #1 to 20 | \$18,500 | \$2,400 |
| PC #21 to 26 | | |
| PC #21 | \$0 | \$0 |
| PC #22 | \$0 | \$0 |
| PC #23 | \$0 | \$0 |
| PC #24 | \$0 | \$0 |
| PC #25 | \$0 | \$0 |
| PC #26 | \$0 | \$0 |
| PC #21 to 26 | \$0 | \$0 |

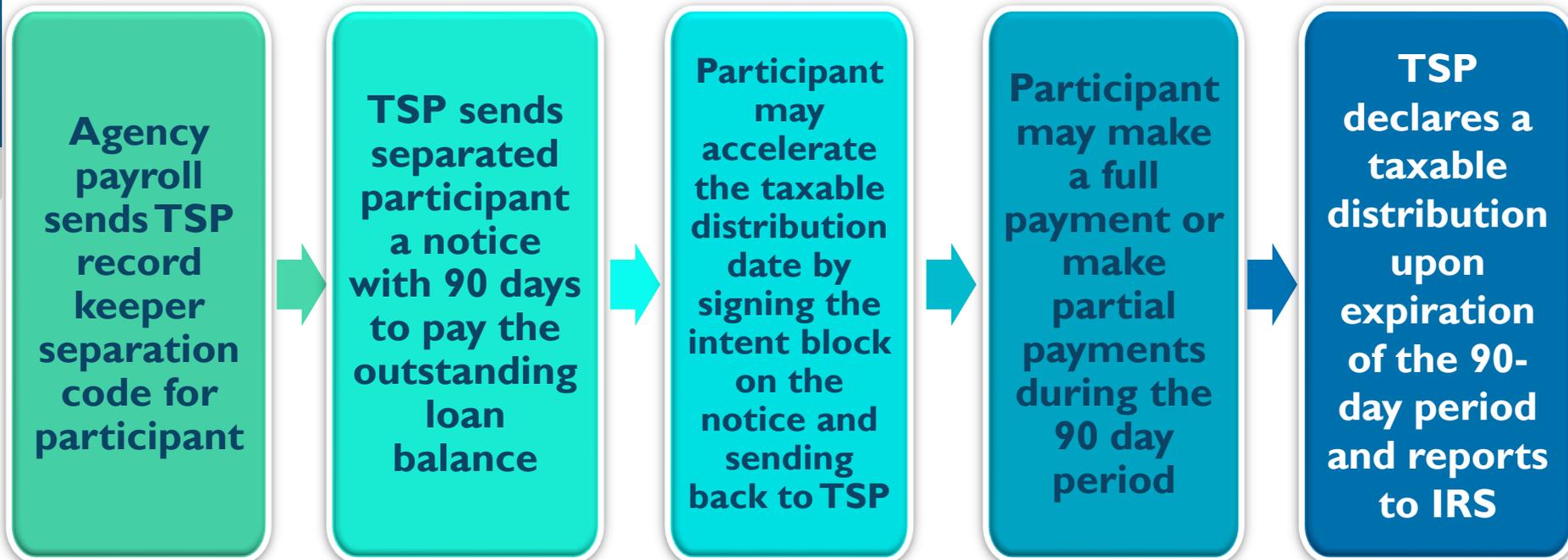
| | | |
|----------------------------------|-----------------|----------------|
| Total of 20 Contributions | \$18,500 | \$2,400 |
|----------------------------------|-----------------|----------------|

| SUSAN | \$712 EC | 4% Match |
|---------------------|-----------------|----------------|
| PC #1 to PC# 20 | \$712 each | \$120 each |
| PC #1 to 20 | \$14,240 | \$2,400 |
| PC #21 to 26 | | |
| PC #21 | \$712 | \$120 |
| PC #22 | \$712 | \$120 |
| PC #23 | \$712 | \$120 |
| PC #24 | \$712 | \$120 |
| PC #25 | \$712 | \$120 |
| PC #26 | \$700 | \$120 |
| PC #21 to 26 | \$4,260 | \$720 |

| | | |
|----------------------------------|-----------------|----------------|
| Total of 26 Contributions | \$18,500 | \$3,120 |
|----------------------------------|-----------------|----------------|

What happens to my TSP loan when I separate from Federal Service?

- TSP loans must be settled within 90 days of separation to avoid a taxable distribution
- Participant may reamortize or make additional payments prior to separation
- No post-service withdrawals will be processed until loan has either been paid in full or a taxable distribution of remaining balance has been declared



Personal Data

- Before separating, ensure that all personal data on file with the TSP is correct
- Report errors to your agency for correction



Participant Statements

- Annual statements are mailed and are posted on the TSP Web site
 - Participant may opt out of mailed annual statement
 - Call the ThriftLine or account access section of the TSP Web site
- Quarterly Statements:
 - Can be viewed and printed from the TSP Web site
 - First statement is mailed; subsequent statements available on the TSP Web site or by calling the ThriftLine

██████████ ██████████

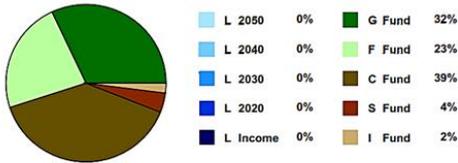
██████████
 ██████████
 ██████████

Here's how the value of your TSP account has changed.

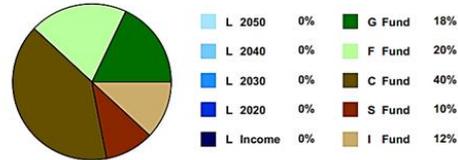
| | Traditional | Roth | Total |
|------------------------------------|---------------------|-------------------|---------------------|
| Value on July 1, 2013 | \$194,419.77 | \$1,253.51 | \$195,673.28 |
| Contributions and Additions | \$0.00 | \$0.00 | \$0.00 |
| Withdrawals and Deductions | \$0.00 | \$0.00 | \$0.00 |
| Investment Gain (or Loss) | \$140.77 | -\$0.55 | \$140.22 |
| Value on September 30, 2013 | \$194,560.54 | \$1,252.96 | \$195,813.50 |

Your vested account balance is **\$194,560.54** **\$1,252.96** **\$195,813.50**

Your account balance distribution



Your investment allocation for future contributions



Your Quarterly Statement

for the period
07/01/2013 – 09/30/2013

Account Number:

██████████

Date of Birth: ██████████
 Retirement Coverage: FERS
 Employment Status: Active
 Service Required for Vesting: 3 years from ██████████

A Message for You

You can get the latest information about your TSP account at any time simply by calling the ThriftLine at 1-877-968-3778 to access the Automated Response System. You can also visit the "My Account" section of tsp.gov. Need a little more personal help? You can call the ThriftLine Monday through Friday, 7 a.m. to 9 p.m., Eastern time to speak to a Participant Service Representative or you can send a secure message through the tsp.gov Message Center under "My Account." A TSP representative will respond to your inquiry.

Your Personal Rate of Return

Last 12 Months
5.82%

Questions? tsp.gov

ThriftLine: 1-TSP-YOU-FRST
 1-877-968-3778
 Outside U.S. and Canada: 404-233-4400
 TDD: 1-TSP-THRIFTS
 1-877-847-4385
YouTube.com/TSP4gov

To correct personal or contribution information, contact your agency.

[Mail Barcoding]

Name
 Address Line 1
 Address Line 2
 City, State Zip Code

How your account value changed in 20YY

| | Traditional | Roth | Total |
|----------------------------|-------------|------|-------|
| Value on January 1, 20YY | | | |
| Change in value this year | | | |
| Value on December 31, 20YY | | | |

Your vested account balance is \$xx,xxx,xxx.xx

You are always vested in (entitled to keep) your own contributions and your Agency Matching Contributions. However, you must meet time-in-service requirements to be entitled to keep your Agency Automatic (1%) Contributions. (See your own vesting requirement in the blue Account Number box to the right.)

Your 5-Year Account Balance History



Your 20YY Annual Statement

Account Number:
1234 5678 91011

Date of Birth: ██████████
 Retirement Coverage: ██████████
 Employment Status: ██████████
 Service Required for Vesting: ██████████
 Legal Residence: ██████████

Will you be ready for retirement?

Your 12/31/20YY account balance would provide you a lifetime TSP monthly amount of

\$1,263*

- *This estimate assumes:
- Age 62, or your current age if you are older
 - A single life annuity, with level payments and no additional features
 - An annuity interest rate index of x.xxxx%

Think of the amount in your account as a source of monthly income in your retirement years rather than as a single sum of money. If your account balance were twice your current balance, your lifetime monthly amount would be twice the amount shown above, and so on. Use the How Much Will My Savings Grow? calculator on the TSP website to estimate how your account might grow over time.

Questions?

Visit www.tsp.gov

ThriftLine: 1-TSP-YOU-FRST (1-877-968-3778)
 Outside the U.S. and Canada: 404-233-4400
 TDD: 1-TSP-THRIFTS (1-877-847-4385)

To correct any of your personal information, contact your agency.



Custom ID Created: mm/dd/yyyy
 Web Password Date: mm/dd/yyyy
 Web Access: Blocked
 ThriftLine PIN Date: mm/dd/yyyy
 ThriftLine Access: Blocked
 Quarterly Statements: Electronic
 Annual Statements: Mailed
 Account Hold: Yes
 Power of Attorney or Guardianship/Conservatorship: On File

TSP's Net Administrative Expenses (2017) Compared with the Average

TSP

\$0.33 per \$1,000



Net administrative expenses charged to the TSP participant across all funds 2017.

Average

401(k) Plan

\$4.10 per \$1,000*

**(Approximately 12 times
more than the TSP!)**

* Source: 12th Annual NEPC Defined Contribution Plan & Fee Survey Webinar, Sep 2017

Moving Money From Other Plans Into TSP

Transfer (**direct rollover**):

Eligible Plan (**Traditional or Roth*** balance)

- Workplace Retirement Plans:
 - 401(k), 403(b), 457(b)
 - Sep IRA, SIMPLE
- Traditional IRA (Pre-tax only)
- *NOT Roth, Education or Inherited IRAs*

Money moves directly from an eligible plan or retirement account into the TSP
Participant does not have use of the money

Rollover (**indirect rollover**):

Eligible Plan (**Traditional** balance only)

- Workplace Retirement Plans:
 - 401(k), 403(b), 457(b)
 - Sep IRA, SIMPLE
- Traditional IRA (Pre-tax only)

Participant has use of the money for 60-days
May result in tax withholding and early withdrawal penalty if under age 59.5

The amount transferred or rolled over into the TSP account is allocated according to the current contribution allocation on file

Need to complete:

- ① Withdrawal process from eligible plan
- ② TSP-60/TSP-60R



Age-Based In-Service Withdrawals

- Participants age 59½ or older may take a lump sum withdrawal while in service
 - **Current law:**
 - One-time only (lifetime) while in service
 - Precludes the post-separation partial withdrawal option
 - **New law*:**
 - Up to four (4) Age-Based In-Service Withdrawals per calendar year
 - Does not preclude the post-separation partial withdrawal option
- Minimum withdrawal is \$1,000; maximum is entire vested account balance
- All or any portion may be transferred to an IRA or an eligible employer plan, if eligible
- Can continue to make contributions to the TSP

| THRIFT SAVINGS PLAN AGE-BASED IN-SERVICE WITHDRAWAL REQUEST | | TSP-75 |
|---|--|---|
| I. INFORMATION ABOUT YOU | | |
| 1. This request applies to my: <input type="checkbox"/> Civilian Account OR <input type="checkbox"/> Uniformed Services Account | | |
| 2. Last Name: _____ First Name: _____ Middle Name: _____ | | |
| 3. TSP Account Number: _____ 4. Date of Birth (mm/dd/yyyy): _____ 5. Daytime Phone (Area Code and Number): _____ | | |
| Note: If you are married, you must complete either Section VII or VIII on Page 2 depending on your retirement coverage [see instructions]. | | |
| II. WITHDRAWAL REQUEST | | |
| 6. Amount you are requesting: \$ _____,00 OR <input type="checkbox"/> Entire vested account balance (amount must be \$1,000 or more) | | |
| III. TRANSFER ELECTION | | |
| 7. <input type="checkbox"/> I would like to transfer all or a portion of my withdrawal request to an IRA or eligible employer plan. (Note: You must include the completed applicable transfer page(s) from this form with your withdrawal request package.) | | |
| IV. DIRECT DEPOSIT INFORMATION — This section is optional. Complete this section if you want the portion of your withdrawal that is not being transferred [Sections IX–XIII] directly deposited into your checking or savings account. | | |
| 8. Type of Account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings | | |
| 9. Name of Financial Institution: _____ | | |
| 10. ACH Routing Number (Must be 9 digits): _____ | | |
| 11. Checking or Savings Account Number: _____ | | |
| V. ADDITIONAL TAX WITHHOLDING — This section is optional. If you would like more than the mandatory 20% Federal tax withholding, complete this section. If a portion of your withdrawal is a Required Minimum Distribution, the TSP must withhold 10% of that portion. Withholding does not apply to amounts transferred to IRAs or eligible employer plans or which are otherwise nontaxable [see instructions]. | | |
| 12. In addition to the mandatory 20%, withhold this amount for Federal income tax: \$ _____,00 | | |
| VI. CERTIFICATION AND NOTARIZATION — I certify that the information I have provided on all pages of this withdrawal request is true and complete to the best of my knowledge. If I did not complete Section VII or VIII on Page 2, I further certify that I am an unmarried TSP participant. Warning: Any intentional false statement in this application or willful misrepresentation concerning this request is a violation of law that is punishable by a fine or imprisonment for as long as 5 years, or both (18 U.S.C. 1001). | | |
| 13. Participant's Signature: _____ | | 14. Date Signed (mm/dd/yyyy): _____ |
| 15. Participant's Address (We will use this address only to notify you if we cannot locate your account based on the information you provided on this form.) _____ | | |
| 16. Notary: Please complete the following. No other acknowledgement is acceptable (see instructions). The person who signed Item 13 is known to or was identified by me and, before me, signed or acknowledged to have signed this form. In witness thereof, I have signed below on this _____ day of _____, _____, _____. | | |
| My commission expires: _____ Date (mm/dd/yyyy) | | |
| [seal] _____ Notary's Signature | | |
| _____ Notary's Printed Name _____ Notary's Phone Number _____ | | |
| _____ Jurisdiction | | |
| Do Not Write Below This Line | | |
|  | | FORM TSP-75, Page 1 (2/2015) PREVIOUS EDITIONS OBSOLETE |

The TSP Retirement Income Options

Turning Savings to Income



Thrift Savings Plan

Deferred Income (Leave It In – Let It Grow)

- If you don't need income from the TSP immediately upon retirement, you can leave your savings in the plan and do nothing
- After separation, you can still transfer or roll in money from traditional IRAs or eligible employer retirement plans
- You can continue to build wealth by staying invested in the TSP funds and earning market returns
- Income taxes are deferred until you begin receiving income distributions
- By April 1st of the year following the year you become 70½ and are separated from service, you must begin to take required minimum distributions from your TSP account, to include Roth balance



Overview of the New TSP Withdrawal Options

- The TSP Modernization Act of 2017 was signed into law by the President on November 17, 2017. The law gives the FRTIB **up to two years to make the regulatory and operational changes necessary to enact these changes.**
- The law will provide TSP participants with more flexible withdrawal options.
- Overview of Changes
 - Multiple age-based withdrawals for those 59½ or older while in-service
 - Multiple partial post-separation withdrawals
 - Option to select withdrawal from Roth balance only, Traditional balance only or a proportional mix of both
 - Elimination of the full withdrawal election requirement once the participant turns 70½ and is separated (IRS Required Minimum Distributions (RMDs) still apply)
 - Option to receive installment payments on a monthly (no change), quarterly or annual basis and to stop, start, or make changes at any time
 - Option to elect a partial lump sum withdrawal, purchase an annuity, or request a full lump sum withdrawal while receiving installment payments

<https://www.tsp.gov/PDF/formspubs/tspfsl0.pdf>

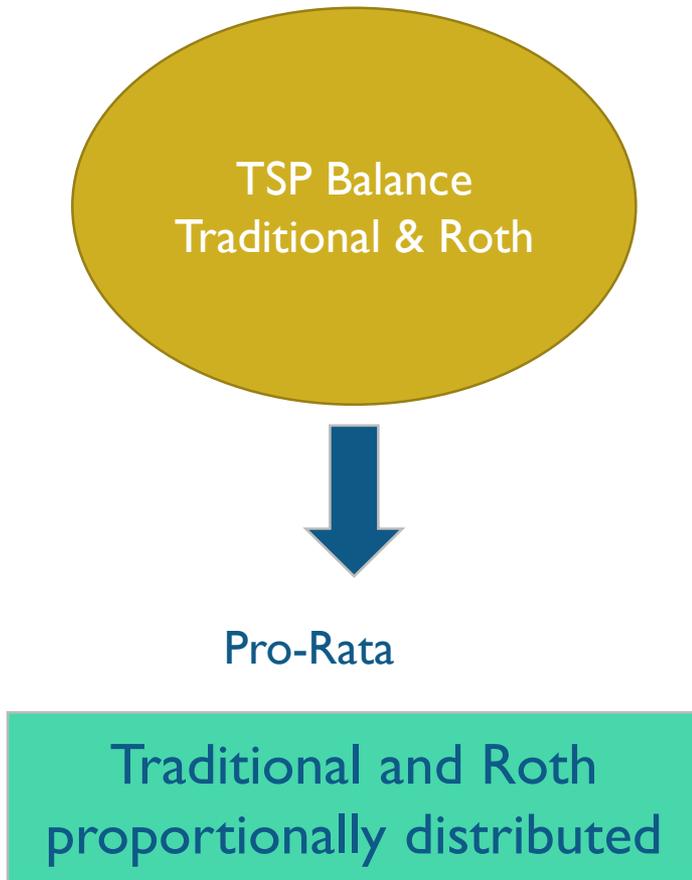


Thrift Savings Plan

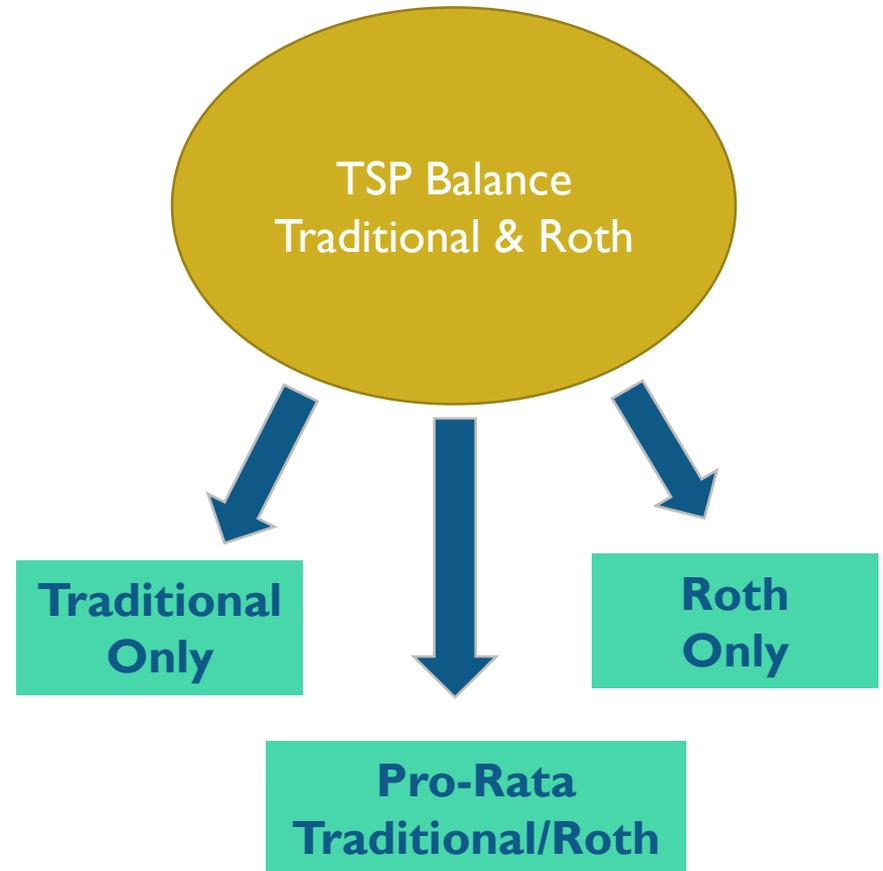
*Per the TSP Fact Sheet dated 5/2018 (TSPFS10).

Withdrawals Based on Tax Treatment

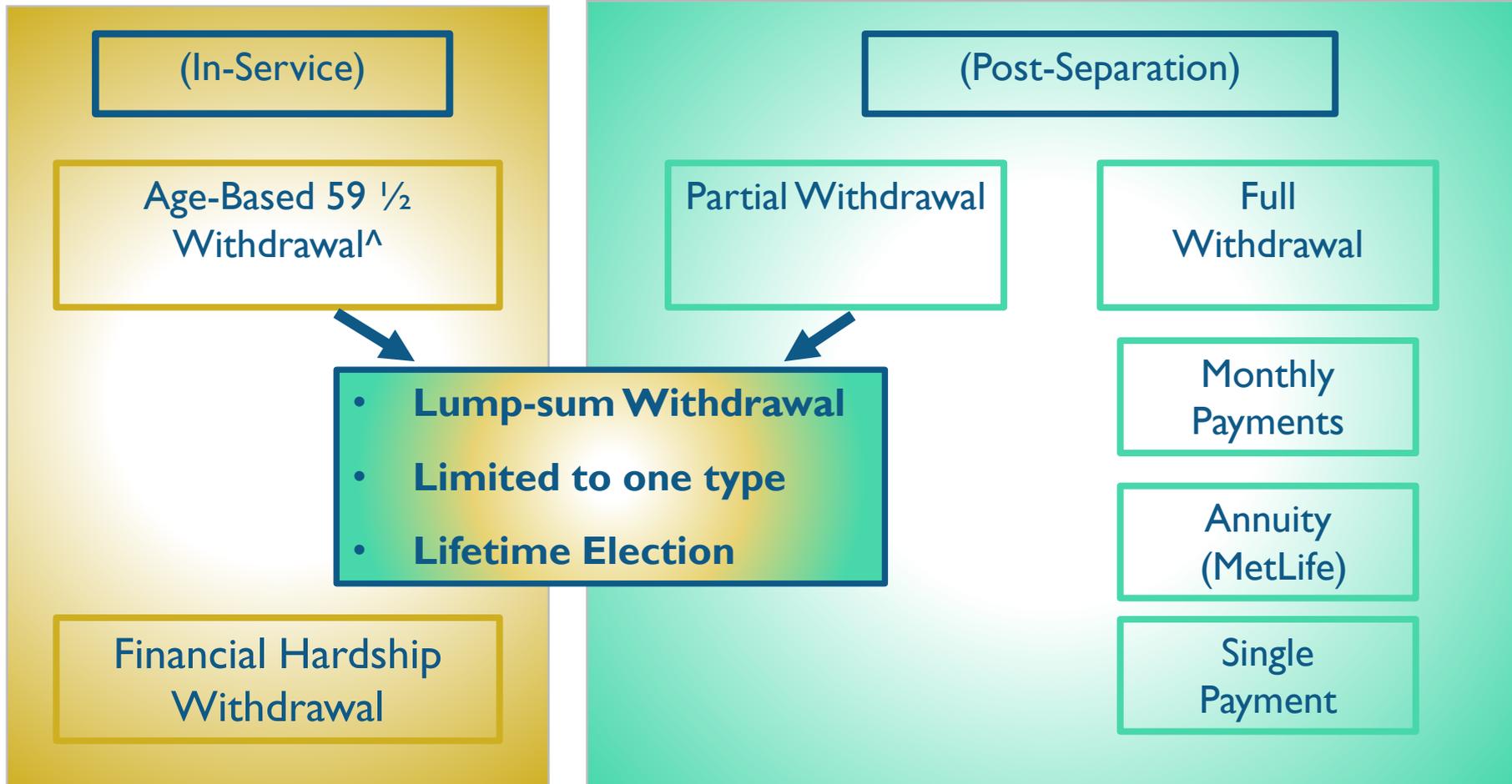
Current Law



New Law*



In-Service and Post-Separation Withdrawal Options (Current Law)



In-Service and Post-Separation Withdrawal Options (New Law*)

In-Service

Age-Based 59 ½
Withdrawal

(does not prevent
post-separation
partial withdrawals)

Financial Hardship
Withdrawal
(no changes)

Post-Service

Lump-Sum

(all or a portion
of the account
balance)

Installments[^]

Monthly
Payments

Quarterly
Payments

Annual
Payment

Life Annuity
(MetLife)

(all or a
portion of the
account
balance)

[^]Option to start, stop or change installment payments at any time.

Partial Withdrawal (Post-Separation)

- Separated participants may take a lump sum withdrawal, all or a portion of the balance
 - Current law:** One-time only (lifetime) if an Age-Based In-Service Withdrawal was not elected
 - New law*:**
 - Flexibility to take one partial lump sum withdrawal every 30 days, if desired
 - No lifetime limit
 - Request partial withdrawal while receiving installment payments
- Minimum withdrawal is \$1,000
- All or any portion may be transferred to an IRA or an eligible employer plan, if eligible

THRIFT SAVINGS PLAN TSP-77
REQUEST FOR PARTIAL WITHDRAWAL WHEN SEPARATED

I. INFORMATION ABOUT YOU

1. This request applies to my: Civilian Account OR Uniformed Services Account

2. Last Name: _____ First Name: _____ Middle Name: _____

3. TSP Account Number: _____ 4. Date of Birth (mm/dd/yyyy): ____/____/____ 5. Daytime Phone (Area Code and Number): _____

6. Foreign address? Check here. 7. Street Address or Box Number (For a foreign address, see instructions on back): _____
Street Address Line 2: _____

8. City: _____ 9. State: _____ 10. Zip Code: _____

II. PARTIAL WITHDRAWAL REQUEST

11. Amount you want to withdraw: \$ _____,000 (amount must be \$1,000 or more)

III. TRANSFER ELECTION

12. I would like to transfer all or a portion of my withdrawal request to an IRA or eligible employer plan. (Note: You must include the completed applicable transfer page(s) from this form with your withdrawal request package.)

IV. DIRECT DEPOSIT INFORMATION — This section is optional. Complete this section if you want the portion of your withdrawal that is not being transferred (Sections IX–XIII) directly deposited into your checking or savings account.

13. Type of Account: Checking Savings

14. Name of Financial Institution: _____

15. ACH Routing Number (Must be 9 digits): _____ 16. Checking or Savings Account Number: _____

V. ADDITIONAL TAX WITHHOLDING — This section is optional. If you would like more than the mandatory 20% Federal tax withholding, complete this section. If a portion of your withdrawal is a Required Minimum Distribution, the TSP must withhold 10% of that portion. Withholding does not apply to amounts transferred to IRAs or eligible employer plans or which are otherwise nontaxable (see instructions).

17. In addition to the mandatory 20%, withhold this amount for Federal income tax: \$ _____,000

VI. CERTIFICATION AND NOTARIZATION — I certify that the information I have provided on all pages of this withdrawal request is true and complete to the best of my knowledge. If I did not complete Section VII or VIII on Page 2, I further certify that I am an unmarried TSP participant. Warning: Any intentional false statement in this application or willful misrepresentation concerning this request is a violation of law that is punishable by a fine or imprisonment for as long as 5 years, or both [18 U.S.C. 1001].

18. Participant's Signature: _____ 19. Date Signed (mm/dd/yyyy): ____/____/____

20. Notary. Please complete the following. No other acknowledgement is acceptable (see instructions). The person who signed Item 18 is known to or was identified by me and, before me, signed or acknowledged to have signed this form. In witness thereof, I have signed below on this ____ day of _____ Month, _____ Year.

My commission expires: _____ Date (mm/dd/yyyy) Notary's Signature: _____
Notary's Printed Name: _____ Notary's Phone Number: _____
Jurisdiction: _____

Do Not Write Below This Line

FORM TSP-77, Page 1 (2/2015)
PREVIOUS EDITIONS OBSOLETE

Full Withdrawal

- **Current law:** Final elections required on the full TSP balance among three options:

- a) Single Payment
- b) Life Annuity
- c) Monthly Payments
 - Fixed Amount or Life Expectancy

- **New law*:**

- Elimination of the full withdrawal election requirement
- Option to elect installment payments (monthly, quarterly, or annual) and stop, start or change payments when desired
- Option to elect lump sum payment (full or partial) and/or Life Annuity while receiving installment payments

IV. WITHDRAWAL ELECTION—This section is required. Choose one or more methods. Indicate percentages in whole numbers. If choosing monthly payments, include the dollar amount of each payment or choose to have the TSP compute your payments based on your life expectancy.

23. I would like to withdraw my entire account balance as follows:

| | | | | | | | | |
|----|----------------------|----------------------|----------------------|-------------|--|--------------------------|--|---------------------------------|
| a. | <input type="text"/> | <input type="text"/> | <input type="text"/> | .0% | Single Payment | | | |
| b. | <input type="text"/> | <input type="text"/> | <input type="text"/> | .0% | Life Annuity (Must equal \$3,500 or more. Also complete Page 6.) | | | |
| c. | <input type="text"/> | <input type="text"/> | <input type="text"/> | .0% | TSP Monthly Payments → Tell us how to pay your monthly payments: | | | |
| | | | | 100% | (Total a, b, and c) | | | |
| | | | | \$ | <input type="text"/> | <input type="text"/> | <input type="text"/> | .00 per month (\$25.00 or more) |
| | | | | | | OR | | |
| | | | | | | <input type="checkbox"/> | Compute my payments based on my life expectancy. | |

a. Single Payment

- Also referred to as a **Lump Sum** payment
 - You can withdraw your entire TSP account balance in a single payment
 - You can transfer/roll over all or part of your TSP account to an IRA or another eligible retirement account
 - Any taxable amount withdrawn but not transferred or rolled over will be subject to ordinary income for the year of withdrawal



b. TSP Life Annuity

- Income is assured for the life of the annuitant(s)
- Funds are transferred from TSP to the annuity provider, and benefits are “locked in” when the request is processed

| | Single Life | Joint Life with Spouse | Joint Life with Other Survivor |
|--------------------------------|-------------|------------------------|--------------------------------|
| Survivor benefit (50% or 100%) | | ✓ | ✓ |
| Level payments | ✓ | ✓ | ✓ |
| Increasing payments | ✓ | ✓ | |
| Cash refund | ✓ | ✓ | ✓ |
| 10-year certain | ✓ | | |



c. TSP Monthly Payments

Fixed Dollar Amount

- Amount specified by participant
- Minimum payment \$25
- May change dollar amount annually
- May transfer payments to an IRA or another eligible plan*
- May adjust amount of tax withholding*
- May change direct deposit information
- May request a final single payment anytime

Based on Life Expectancy

- Payments are computed by TSP
- Amount automatically adjusts annually
- May adjust amount of tax withholding
- May make a one-time change to fixed dollar amount
- May request a final single payment anytime

d. Custom: Mixed Withdrawal

IV. WITHDRAWAL ELECTION — This section is required. Choose one or more methods. Indicate percentages in whole numbers. If choosing monthly payments, include the dollar amount of each payment **or** choose to have the TSP compute your payments based on your life expectancy.

23. I would like to withdraw my entire account balance as follows:

a.

| | | |
|--|---|---|
| | 1 | 0 |
|--|---|---|

.0% Single Payment

b.

| | | |
|--|---|---|
| | 2 | 0 |
|--|---|---|

.0% Life Annuity (Must equal \$3,500 or more. Also complete Page 6.)

c.

| | | |
|--|---|---|
| | 7 | 0 |
|--|---|---|

.0% TSP Monthly Payments → Tell us how to pay your monthly payments:

100 % (Total a, b, and c)

\$

| | |
|--|--|
| | |
|--|--|

,

| | | |
|--|--|--|
| | | |
|--|--|--|

.00 per month (\$25.00 or more)

OR

Compute my payments based on my life expectancy.

Form TSP-70, Full Withdrawal



Thrift Savings Plan

Satisfying the RMD Requirement – Election after turning 70 ½ and Separated

Current Law

- Submission of the full withdrawal form by February of the year following turning 70 ½ and separated from service.[^]
- Account deemed abandoned if form is not received by the August deadline.

[^]TSP will issue the first year RMD if form not received by March 1.

New Law*

- RMD automatically issued in December if there is no withdrawal election on record during the calendar year.

Note: Partial and installment payments received in a calendar year will be used to satisfy the RMD requirement. The TSP will issue a supplemental payment for any remaining RMD amount in December.

Required Minimum Distributions

70.5

Separated

April 1st

RMD

Each
Year

IRS
Table

After participant has separated from Federal service or the uniformed services, they are required to make a withdrawal choice by April 1 of the year following the year they become age 70½

They must receive their “Required Minimum Distribution” (RMD) for the calendar year in which they turn 70½ but they have until April 1 of the following year to make the withdrawal

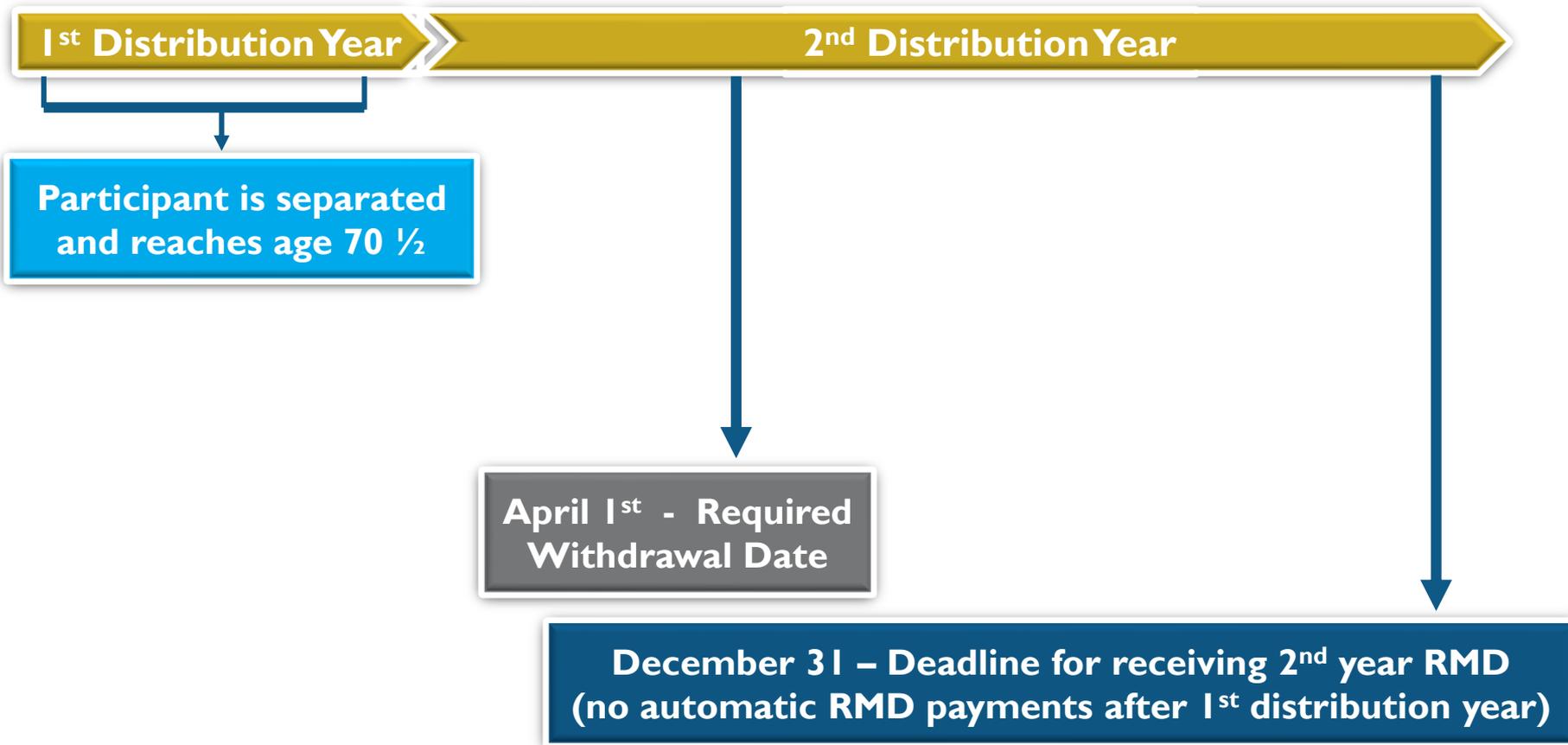
RMDs are determined using the IRS Uniform Lifetime Table

They must continue to receive RMDs from their TSP account each year thereafter

If they are still a Federal employee employed at age 70½, their required withdrawal must begin by April 1 of the year following the year they separate



Required Minimum Distributions



Uniform Lifetime Table

RMD = Account Balance ÷ Distribution Period = % of account balance

Uniform Lifetime Table for Calculating Minimum Distributions*

| Age | Distribution Period | Age | Distribution Period | Age | Distribution Period |
|-----|---------------------|-----|---------------------|------|---------------------|
| 70 | 27.4 - 3.65% | 90 | 11.4 | 110 | 3.1 |
| 71 | 26.5 - 3.77% | 91 | 10.8 | 111 | 2.9 |
| 72 | 25.6 - 3.91% | 92 | 10.2 | 112 | 2.6 |
| 73 | 24.7 - 4.05% | 93 | 9.6 | 113 | 2.4 |
| 74 | 23.8 - 4.20% | 94 | 9.1 | 114 | 2.1 |
| 75 | 22.9 - 4.37% | 95 | 8.6 | 115+ | 1.9 |
| 76 | 22.0 - 4.55% | 96 | 8.1 | | |
| 77 | 21.2 - 4.72% | 97 | 7.6 | | |
| 78 | 20.3 - 4.93% | 98 | 7.1 | | |
| 79 | 19.5 - 5.13% | 99 | 6.7 | | |
| 80 | 18.7 - 5.35% | 100 | 6.3 | | |
| 81 | 17.9 | 101 | 5.9 | | |
| 82 | 17.1 | 102 | 5.5 | | |
| 83 | 16.3 | 103 | 5.2 | | |
| 84 | 15.5 | 104 | 4.9 | | |
| 85 | 14.8 | 105 | 4.5 | | |
| 86 | 14.1 | 106 | 4.2 | | |
| 87 | 13.4 | 107 | 3.9 | | |
| 88 | 12.7 | 108 | 3.7 | | |
| 89 | 12.0 | 109 | 3.4 | | |

Changes to Monthly Payments

- You can change:
 - TSP-73, From life expectancy to fixed dollar payments
 - (One-time-only, October 1 - December 15)
 - TSP-73, The amount of your fixed dollar payments
 - (Once a year, October 1 - December 15)
 - TSP-78, The way your monthly payments are handled
 - Direct deposit
 - Transfers
 - Withholdings
 - TSP-79, From monthly payments to a final single payment



Planning & Tools

Learn more about designing your investment plan

Get the most out of your retirement savings by carefully developing a plan for your TSP account.

Investment Strategy

Review a list of questions you should ask yourself before you invest, and find out how to maximize your retirement savings using the benefits of compounding, tax deferral, and account consolidation.

[Learn more](#)

Calculators

Use these calculators to help you plan for a comfortable retirement:

 [How Much Should I Save? \(Ballpark Estimate\)](#)

 [How Much Will My Savings Grow?](#)

 [How Much Can I Contribute?](#)

 [Paycheck Estimator](#)

 [Contribution Comparison Calculator](#)

 [Retirement Income Calculator](#)

 [TSP Monthly Payment Calculator](#)

 [Estimate Loan Payments](#)

Retirement Planning Phases

It is never too early or too late to take advantage of what the TSP has to offer. Consider how to make your TSP savings work for you through contribution elections, catch-up contributions, and asset allocations throughout your career and as you near retirement.

[Learn more](#)

Living in Retirement

Consider how to adjust your asset allocation and determine an effective withdrawal strategy to meet your unique needs during retirement.

[Learn more](#)



Retirement Income Calculator



About TSP Monthly Payments and Life Annuities

If you want monthly income from your TSP account when you separate from Federal service, you have two options:

TSP monthly payments and a **life annuity** ([View Feature Comparison Chart](#)).

This calculator will help you decide whether receiving monthly income is right for you by comparing the available options and features that might meet your needs. (If you are currently receiving TSP monthly payments and you want to do some calculations to choose a different payment amount, use the [Monthly Payment Calculator](#).)

Get Started

Withdrawal Wizard



My Account

Plan Participation

Investment Funds

Planning & Tools

Life Events

Participant Support

Enter search term(s)



Home > My Account > Withdrawals

Print this page | Text size: + -

Account:

Uniformed Services



Request for Full Withdrawal: Uniformed Services

1 About You | 2 Spouse Information | 3 Withdrawal Information | 4 Review Withdrawal | 5 Certification | 6 Finish

Account Information

Account Balance

Recent Transactions

Activity Summary

Statements

Correspondence from the TSP

Message Center

Online Transactions

Contribution Allocations

Interfund Transfers

You may withdraw your entire account balance as a Single Payment, a Life Annuity, as TSP Monthly Payments, or any combination of these three options.

Note: The minimum threshold to purchase an annuity is \$3,500. You may choose to purchase an annuity as long as you have at least \$3,500 in your traditional (non-Roth) balance.

Indicate the percentage of your account that you would like for each withdrawal option. Be certain that your percentages total to 100%:

| | | |
|----------------------|----------------------------------|------|
| Single payment | <input type="text" value="10"/> | .0 % |
| Life annuity | <input type="text" value="20"/> | .0 % |
| TSP Monthly payments | <input type="text" value="70"/> | .0 % |
| Total | <input type="text" value="100"/> | .0 % |

Cancel

← Previous

Continue ▶



Other Considerations

Withdrawal Rules



Submitting Withdrawal Forms

- Separated participants should not submit withdrawal forms until officially separated and the separation code is received by the TSP
- Married participants must print their withdrawal form from the TSP website
 - Provide notarized participant signature
 - Return the withdrawal request to the TSP for processing



Spouses' Rights

| Retirement Plan | Requirement | Exceptions |
|-----------------------------------|---|---|
| FERS or Uniformed Services | Notarized spouse signature required** | Whereabouts unknown or exceptional circumstances - TSP-16 or TSP-U-16 required |
| CSRS | Spouse is entitled to notification of the participant's withdrawal election | Whereabouts unknown - TSP-16 required |

Note: Unmarried participants requesting a general purpose loan or in-service withdrawal can complete and submit form on the website - as long as you are requesting a check sent to your address of record



Spouses' Rights

- If account balance is less than \$3,500:
 - spouse's signature/notice is not required
- If married but no spouse signature, spouse is entitled to:
 - A Joint Life Annuity:
 - 50% Survivor Benefits
 - Level Payments
 - No cash refund feature
- Waiver of spouse's signature/notification valid for 90 days from approval



Exceptions to the IRS Early Withdrawal Penalty



The 10% IRS Early Withdrawal Penalty does not apply to payments that are:

- Received at age 59½ or later
- Received after you separate/retire during or after the year you reach age 55 (or the year you reach age 50 if you are a public safety employee as defined in section 72(t)(10)(B)(ii) of the internal revenue code)
- TSP monthly payments based on life expectancy
- Annuity payments
- Ordered by a domestic relations court
- Made because of death
- Made from a beneficiary participant account
- Received in a year you have deductible medical expenses that exceed 10% of your adjusted gross income (7.5% if you or your spouse is 65 or over)
- Received as a result of total and permanent disability*

* Participant must provide the justification to IRS when they file their taxes

IRS Publications 575, Pension and Annuity Income
IRS Publication 721, Tax Guide to U.S. Civil Service Benefits



Thrift Savings Plan

Tax Withholdings & Portability

| Type of Payment | Eligible for transfer or rollover? | Federal income tax withholding rate |
|--|------------------------------------|--|
| Lump sum distributions: Single payments, age-based and partial withdrawals, final withdrawal following a series of monthly payments | Yes | 20% (mandatory) unless transferred |
| Monthly payments for less than 10 years | Yes | 20% (mandatory) unless transferred |
| Monthly payments for 10 years or more | No | As if Married w/3 (may be decreased or waived) |
| Monthly Payments based on life expectancy | No | As if Married w/3 (may be decreased or waived) |

See TSP-536, *Important Tax Information About Payments From Your TSP Account*, for more information



TSP Death Benefits

Planning Your Legacy

TSP Death Benefits

- To Whom?
 - Based on Form TSP-3, Designation of Beneficiary
 - Participant is responsible for mailing or faxing form directly to TSP
 - Do not submit forms to agency/service!
- How paid?
 - Death reported on Form TSP-17, Information Relating to Deceased Participant
 - The beneficiary will receive IRS Form 1099-R reporting the distribution



THRIFT SAVINGS PLAN
DESIGNATION OF BENEFICIARY

TSP-3

I. PARTICIPANT INFORMATION—This applies to my: Civilian Uniformed Services Beneficiary Participant Account

Last Name First Name Middle Name
 TSP Account Number Date of Birth (mm/dd/yyyy) Daytime Phone (Area Code and Number)

Street Address or Box Number Foreign address? Check here.
 Street Address Line 2
 City State Zip Code

II. CANCELLATION—To cancel all previous designations without designating new beneficiaries, check the box below. In the event of your death, payment from the TSP will be made according to the statutory order of precedence set by the United States Code (5 U.S.C. § 8424(d)).
 Check here only to cancel all prior beneficiary designations without naming new beneficiaries. (Also complete Section IV.)

III. PRIMARY BENEFICIARY DESIGNATIONS

Relationship to you: Spouse Other Individual Trust Estate Legal Entity/Corporation **Share:** %

Name of Individual (Last, First, Middle) / Trust / Estate / Legal Entity or Corporation SSN/EIN / Tax ID
 Name of Trustee/Executor (if applicable) Date of Birth (mm/dd/yyyy)
 Address: _____ Foreign address? Check here.

Relationship to you: Spouse Other Individual Trust Estate Legal Entity/Corporation **Share:** %

Name of Individual (Last, First, Middle) / Trust / Estate / Legal Entity or Corporation SSN/EIN / Tax ID
 Name of Trustee/Executor (if applicable) Date of Birth (mm/dd/yyyy)
 Address: _____ Foreign address? Check here.

Relationship to you: Spouse Other Individual Trust Estate Legal Entity/Corporation **Share:** %

Name of Individual (Last, First, Middle) / Trust / Estate / Legal Entity or Corporation SSN/EIN / Tax ID
 Name of Trustee/Executor (if applicable) Date of Birth (mm/dd/yyyy)
 Address: _____ Foreign address? Check here.

IV. SIGNATURES—This entire form is valid **only** if all pages are signed, dated, and then **witnessed by the same person**. The witness must be **age 21 or older** and **cannot** be a primary or contingent beneficiary of any portion of this TSP account. By signing below, the witness affirms that the participant either signed in the witness's presence or informed the witness that he or she signed it earlier.

Participant Signature Date Signed (mm/dd/yyyy) Check here and go to Page 2 if naming more than 3 primary beneficiaries.
 Witness Signature Date Signed (mm/dd/yyyy) Witness Print Full Name



FORM TSP-3, Page 1 (5/2017)
 PREVIOUS EDITIONS OBSOLETE

Do Not Write In This Section

Designation of Beneficiary

- Participants may complete Form TSP-3, Designation of Beneficiary, to designate payment of their TSP account upon death
 - Participant responsible for mailing or faxing form directly to TSP
 - Do not submit forms to agency and copies are not maintained by the agency
- The TSP will not honor beneficiary designations that are in the possession of the agency/service on the participant's date of death
- If participant has both civilian and uniformed services TSP accounts, he or she may designate a beneficiary for each account using the same Form TSP-3
 - If designating different beneficiaries for each account, participant must complete separate Forms TSP-3
 - Otherwise the account(s) is paid according to the Statutory Order of Precedence



Statutory Order of Precedence

If there is no Form TSP-3 on file at the TSP, then Statutory Order of Precedence:

1. Spouse
2. Natural and adopted children
3. Parents
4. Estate
5. Next of kin



Payments to Spouse Beneficiaries

- Spouse beneficiaries automatically have a beneficiary participant account (BPA) established upon notification of death of TSP participant
- Balance is automatically invested in the beneficiary's age appropriate L Fund
- Beneficiary participants have same investment and withdrawal options as separated TSP participants
 - Exception: TSP cannot accept transfers or rollovers from other equivalent employer plans or IRAs (traditional or Roth) into BPAs
 - Interfund transfers to any TSP investment funds are permitted



Payments to Spouse Beneficiaries

- Spouse may designate beneficiaries using Form TSP-3
- Death benefit payments from a BPA are single payments to the designated beneficiaries; cannot be transferred or rolled over to an IRA (to include inherited IRA) or eligible employer plan
- Required Minimum Distribution from BPA is based on the age of the TSP participant



Considerations with BPA Transfers

| | BPA | Other Employer Plan | IRA |
|--------------------------------|---|---|---|
| Successor Beneficiaries | Death benefit payments to successor beneficiaries may not be transferred or rolled over | Death benefit payments to successor beneficiaries may be transferred or rolled over | Death benefit payments to successor beneficiaries may be transferred or rolled over |
| Early Withdrawal Penalty | No penalty on early distributions | No penalty on distributions after age 59½ Penalty waived if separated during or after the calendar year of 55 th birthday | No penalty on distributions after age 59½ (other exceptions may apply) |
| Spousal Rights | Spousal rights not applicable | Spousal rights apply IAW applicable laws and plan rules | Spousal rights not applicable |
| Required Minimum Distributions | Required beginning date based on age of deceased participant & Required payment amount based on spouse's age | Required beginning date based on when beneficiary turns 70½ or retires, whichever is later | Required beginning date based on when beneficiary turns 70½ |

Payments to Non-Spouse Beneficiaries

- Paid as a single payment
 - Taxable portion of payments to beneficiary subject to 20% tax withholding
 - Payments transferred to an inherited IRA account not subject to withholding
- The benefits of an Inherited IRA
 - Allows beneficiaries, other than spouse, to take the IRC minimum required distribution amount based on their age
 - If a 24-year-old beneficiary's entitled amount is \$100,000, the IRC minimum required distribution must start by December 31 the year following the TSP participant's death
 - The first year IRC minimum required distribution would be \$1,720 based on age 25
 - The remaining balance continues to grow
 - Each year the IRC minimum required distribution increases slightly providing a lifetime benefit
- Inherited IRAs are complicated and a tax professional or IRA provider should be contacted to discuss this option



To Help Your Transition Go Smoothly...

- Read the withdrawal booklet and tax notice
- Ensure that personal (indicative) data on file with the TSP is correct
- Make sure your agency reports your separation to the TSP before submitting withdrawal forms
- If you have a TSP loan, it must be repaid or declared a taxable distribution before your withdrawal can be submitted and processed
- Consider using the online withdrawal wizards to ensure that forms are complete and in good order – and keep a copy for your records



Remember . . .

- Married FERS and uniformed services participants must print their withdrawal form from the TSP website, and provide notarized participant and spousal signatures
- Stay in touch! You are responsible for updating your TSP address once you are separated
 - Via TSP-9, Website or ThriftLine



TSP Resources

Putting it all Together

MY ACCOUNT

TSP Account Number
 User ID

Password

Help [Log In](#)

[Protect Your TSP Account](#)



ONLINE PASSWORD RESET

You can reset your password online.

[Learn More](#)

1 2 3

Text size:  

Plan Participation

How to set up and manage your TSP account

- TSP and Your Retirement
- Enrolling in the TSP
- Investing Contributions
- Protect Your TSP Account

[Learn more ▶](#)

Investment Funds

Information on TSP fund options and performance

- Fund Comparison
- Lifecycle Funds
- Share Prices
- Monthly Returns

[Learn more ▶](#)

Planning & Tools

Retirement planning and tools for all career stages

- Before You Invest
- Maximize Your TSP Savings
- Calculators

[Learn more ▶](#)

Life Events

Help with life events affecting your TSP account

- Entering Gov't Service
- Called to Active Duty
- Family Changes

[Learn more ▶](#)

BULLETIN BOARD

- ThriftLine Delays
- Information about changes to TSP withdrawal options
- Stick to Your Plan
- Annual participant statements
- Peak ThriftLine Call Times
- IRS Form 1099-R
- New and revised BRS materials available
- TSP Withdrawal Options Bill Becomes Law
- 2018 Contribution Limits
- You May Now Reset Your TSP Password Online

QUICK LINKS

- ▶ [Change Your Address](#)
- ▶ [Forms & Publications](#)
- ▶ [Loan and Annuity Rates](#)
- ▶ [Fund Performance](#)
- ▶ [Contribution Limits](#)
- ▶ [Email Updates](#)
- ▶ [TSP Training for Benefits Officers](#)
- ▶ [Frequently Asked Questions](#)

ACCOUNT SHORTCUTS

- ▶ [Account Balance](#)
- ▶ [Recent Transactions](#)
- ▶ [Contribution Allocation](#)
- ▶ [Interfund Transfer](#)
- ▶ [Statements](#)

TSP.GOV = the official TSP website!

Access Your TSP Account

My Account

Plan Participation

Investment Funds

Planning & Tools

Life Events

Participant Support



The screenshot shows the Thrift Savings Plan logo at the top left. Below it is the heading "MY ACCOUNT" with a person icon. There are two radio button options: "TSP Account Number" (selected) and "User ID". The "TSP Account Number" option has three input fields. Below these is the word "OR". The "User ID" option has a single input field. Below the "User ID" option is a link that says "Forgot your account number or user ID?". At the bottom right of the form is a "Log In" button.

View account balance

View Annual & Quarterly Statements

Submit Contribution Allocations & IFTs

View TSP-3 information on file

Request loans and withdrawals

Create (or change a user ID)

Change or request a Web password

Contacting the TSP



A banner divided into three sections. The left section has a blue background and text: 'You may also visit TSP.GOV and log into "My Account" to perform many of these transactions and inquiries.' It includes the TSP logo and social media icons for Twitter (@tsp4gov) and YouTube (tsp4gov). The middle section has a yellow background and text: 'Notes' followed by a list of horizontal lines. The right section has an orange background and text: 'ThriftLine 1-877-968-3778 Available 24 hours a day, 7 days a week. Call in the U.S. and Canada: 404-233-4400 TDD: 1-877-847-4385'. The background of the right section features a repeating pattern of 'THRIFT SAVINGS PLAN'.

A banner for the TSP4gov YouTube channel. It features the YouTube logo and the TSP logo. To the right, the text reads: 'TSP4gov is the official YouTube channel of the Thrift Savings Plan' followed by a 'Learn more' link.

A banner for TSP on Twitter. It features the text 'TSP IS NOW ON TWITTER!' in orange and blue, the Twitter bird logo, and the text 'FOLLOW US @TSP4GOV'.

A screenshot of the 'Secure Message Center: Civilian' interface. It has two tabs: 'Answer Center' (selected) and 'Messages'. Below the tabs, the text reads: 'The answers to many of your questions can be found right here in the Message Center. If you don't see your question in the list of frequently asked questions, you can search for the answer using our search tool below.' There is a search box with the text 'Find an Answer' and a 'Go' button.

TSP Publications

