TSP ACKNOWLEDGEMENT
NEW HIRES/REHIRES APPOINTED AFTER 31 JULY 2010

Congratulations on your appointment with the Defense Intelligence Agency (DIA). This position is covered by the Federal Employees Retirement System (FERS), and as a result you have been automatically enrolled in the Thrift Savings Plan (TSP). The TSP is a retirement savings and investment plan for Federal employees and is similar to "401(K)" plans available to many private sector employees. The purpose of TSP is to provide you the opportunity to participate in a long-term retirement savings and investment plan. The TSP is one of the three parts of the FERS retirement program. The FERS Basic Annuity and Social Security are the other two parts.

Automatic Enrollment

The amount of your automatic contribution to the TSP is three percent of your basic pay which will be deposited into your TSP account every pay period. These contributions are deducted from your pay and are tax deferred for purposes of Federal, and, in most cases, state income tax. In addition, DIA will deposit Agency Matching Contributions equal to your three percent deposit. Plus you also receive an Agency Automatic (1%) Contribution that is equal to one percent of your basic pay. All totaled with your contributions and those from DIA the equivalent of seven percent of your basic pay will be deposited into your TSP account each pay period. This is a good start toward saving for retirement; however, you can easily increase the amount of your contributions and receive additional Agency Matching Contributions making your retirement savings grow even faster. See the paragraphs on Employee Contributions and Agency Matching Contributions.

Stop Automatic Enrollment

However, if you do not wish to contribute to your TSP account you can request to stop the automatic enrollment process. To stop the Automatic Enrollment process before any contributions are deducted from your pay you must complete the Form TSP-1, Election Form within the same pay period in which you were appointed. If you stop your contribution you are not eligible to receive Agency Matching Contributions. You will still receive the Agency Automatic (1%) Contributions. Also, it is possible that payroll may not be able to stop your first contribution to the TSP. If this happens you can make a request to the TSP to return your contribution. To request a refund of your contribution read the paragraph titled Refund of Automatic Contributions.

Employee Contributions

You may elect to increase, decrease, or stop your contributions to your TSP account at any time. To make a contribution election, please log in to ezHR self-service function. You may specify a whole percentage of basic pay that you want to contribute each pay period, or you may specify a whole dollar amount. Whether you specify a percentage or dollar amount of your pay, your total contributions for the year cannot exceed the IRS elective deferral limit for the year. The limit for 2010 is $16,500. Your contribution election will remain in effect until you make another change through ezHR. You should consider increasing your contributions to at least 5% of your basic pay each pay period during the year in order to receive all of the Agency Matching Contributions for which you are eligible. If you reach the IRS limit before the end of the year, the TSP cannot accept additional contributions and as a result you will not receive the Agency Matching Contributions for the remaining pay dates in the year. The TSP has a calculator on its website (http://www.tsp.gov) to assist you in planning to maximize your employee and Agency Matching Contributions each year.

Agency Contributions

Because you have been automatically enrolled in the TSP, effective your first pay period, DIA will begin making Agency Matching Contributions to your TSP account. Even if you stop contributing your own money, DIA will make Agency Automatic (1%) Contributions that will equal 1% of the basic pay you earn for the pay period. If you are making Employee Contributions, you will also begin receiving Agency Matching Contributions to your TSP account. The first 3% of pay that you contribute each pay period will be matched dollar for dollar, and the next 2% that you contribute will be matched 50 cents on the dollar. As a result of your automatic enrollment you are contributing 3% of your pay and receiving Agency Matching Contributions of 3%. However, if you increase your employee contributions to 5% you will then receive Agency Matching Contributions of 4% each pay period. This means the equivalent of 10% of your basic pay will be saved toward your retirement each pay period (5% of your Employee Contribution + 4% Agency Matching Contributions + 1% Agency Automatic Contribution = **10%** in your TSP account). Your agency contributions will also be invested according to your contribution allocation on file with the TSP on the date the contributions are posted to your account.

Catch-up Contributions

If you are age 50 or older or will turn age 50 by the end of this year, you may make an additional election to contribute catch-up contributions. This is a separate election that will request your agency to deduct additional tax-deferred TSP contributions from your pay. To make catch-up contributions, log on to ezHR self service module. You must elect a whole dollar amount from your basic pay each pay date.

The maximum amount you may contribute in catch-up contributions for 2010 is $5,500.00. This amount of tax-deferred contributions is in addition to the amount you may contribute through the regular TSP election discussed in the paragraph above. You will not receive Agency Matching Contributions on the amount you elect to contribute through catch-up contributions. Your catch-up contribution election will remain in effect either until you make another election to change the amount of or stop your contributions, or until the last pay date of the calendar year. You must make a new election to contribute to catch-up contributions each year.

Refund of Automatic Enrollment Contributions

You may request a refund of the employee contributions that were deducted from your pay during the first 90 days that you were automatically enrolled. To do so, you must send form TSP-25, Request for an Automatic Enrollment Refund, which you will receive with your welcome letter from the TSP. Your properly completed Form TSP-25 must be returned to the TSP using the address on the form and must be received by the TSP no later than the date provided in the TSP welcome letter. Do NOT return the form to DIA. Make sure you read the directions on Form TSP-25 as well as the instructions in the TSP welcome letter. If you were previously employed by the Federal government and were automatically enrolled you are not eligible for a refund of the automatic enrollment contributions for subsequent periods, unless one full calendar year (January through December) has passed since your last automatic enrollment contribution (visit the TSP website for more details). The amount of your refund will be your automatically withheld employee contributions and any gains or losses from the performance of your investment(s). Although the Agency Automatic (1%) Contributions and their earnings will remain in your TSP account; you will forfeit any Agency Matching Contributions and their earnings. Also, requesting a refund of your automatic enrollment contributions will not stop future contributions from being deducted from your pay. You must log into ezHR self service to stop or change your TSP contributions.

Establishing your TSP Account

Your TSP account will be established with DIA submits your first contributions. Once your account is established, the TSP will send three separate mailings to you: (1) a new account letter which includes your account number (2) your password and (3) your Personal Identification Number (PIN). When you receive your new account letter one of the enclosures will be a TSP booklet, *Managing Your Account*, which provides valuable information on such things as TSP investment options, making a contribution allocation, requesting an interfund transfer, and how to designate beneficiaries. If you already have an established TSP account from a previous Federal government service, and you did not withdraw all of your money while you were separated, you will not receive any of the above mailings. If you withdrew your entire balance while separated you will receive the welcome letter but not a new password or PIN because your existing password and PIN are still valid. If you have or had a TSP uniformed service account your Federal civilian account is a separate account and you will receive all of the above mailings.

Contributions Allocations

Your first contributions will be invested in the Government Securities Investment (G) Fund. After receiving your TSP welcome letter, you may invest your contributions in any of the ten TSP funds by requesting a contribution allocation. You cannot request a contribution allocation until your TSP account has been established. The information to request a contribution allocation will be provided with your TSP welcome letter. Note if you have an existing TSP account balance from previous Federal civilian government service, your contributions will be invested using your last contribution allocation on file with the TSP.

Interfund Transfers

You can redistribute your TSP account balance among the ten TSP funds by requesting an interfund transfer. You will not be able to request an interfund transfer until your TSP account has been established. The instructions to request an interfund transfer will be provided with your TSP welcome letter that comes to you in the mail.

Additional Information

To find additional information about the TSP visit the TSP website at www.tsp.gov. If you have questions about the TSP and your participation, contact the Benefits Branch at 202/231-4044.

ACKNOWLEDGE AND SIGN ON THE FOLLOWING PAGE.

TSP ACKNOWLEDGEMENT
NEW HIRES/REHIRES APPOINTED AFTER 31 JULY 2010

I have read and understand the fact sheet regarding TSP.

Employee’s Name   Date

Employee’s Signature