



# **TSP-50**

# **Investment Allocation**

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**May 2008**

## Choosing Your Investment Option

The Thrift Savings Plan (TSP) offers two types of investment options: Lifecycle Funds and individual TSP funds. Ideally, you will choose **either** the Lifecycle Fund that is appropriate for your **time horizon** (that is, when you will begin to use the money), **or** individual TSP funds that will support your personal investment strategy. However, you may invest in any fund or combination of funds. If you are uncertain whether to choose a Lifecycle Fund or individual TSP funds, the following questions may be helpful in guiding you to a decision:

1. Is it hard to find time to make financial decisions?
2. Do you feel confused by the investment choices?
3. If the TSP is your primary retirement investment, are you investing in only one or two of the individual TSP funds?
4. Are you unsure when to rebalance your account?
5. Would you like to have an investment strategy based on your time horizon?

### If you answered

#### Yes

to these questions, consider investing in one of the **Lifecycle Funds**.

### If you answered

#### No

to these questions, then the **Individual TSP Funds** may fit your investing style.

### Lifecycle Funds

Lifecycle Funds (L Funds) are an appropriate choice for those participants who may not have the time, knowledge, or interest to manage their TSP investments. Participants select an L Fund based on when they anticipate needing the money [their time horizon].

L Funds are invested in various combinations [asset allocations] using the five individual TSP Funds — the G, F, C, S, and I Funds. Professional investment experts determine the asset allocation that is appropriate for each Lifecycle Fund, both initially and over time as the fund moves towards its time horizon.

L Funds are automatically rebalanced, and the proportions of stocks, bonds, and securities are gradually adjusted to become more conservative as you get closer to your time horizon.

If you want to take advantage of the Lifecycle Funds, select a fund from the list below. (Your time horizon may be later than your retirement date.)

- **L 2040** [For time horizons of 2035 and later]
- **L 2030** [For time horizons of 2025 through 2034]
- **L 2020** [For time horizons of 2015 through 2024]
- **L 2010** [For time horizons of 2008 through 2014]
- **L Income** [For participants who are now withdrawing]

### Individual TSP Funds

The TSP offers five individual investment funds which provide opportunities for you to diversify your account among several asset classes, including Government securities, bonds, and domestic and foreign stocks.

The individual TSP funds are appropriate for those participants who:

- understand the risks and objectives of each investment option;
- know how they want to diversify their accounts among the asset classes;
- periodically review their investment strategy and rebalance as necessary.

If you choose to manage your own TSP account, you can invest in the five individual TSP funds in any combination or percentage. Your choices are:

- **G Fund** [Government Securities Investment Fund]
- **F Fund** [Fixed Income Index Investment Fund]
- **C Fund** [Common Stock Index Investment Fund]
- **S Fund** [Small Capitalization Stock Index Investment Fund]
- **I Fund** [International Stock Index Investment Fund]

Visit the TSP Web site, [www.tsp.gov](http://www.tsp.gov) for more information about the Lifecycle Funds and the individual TSP investment funds. Before making your investment decision, be sure to read the *Summary of the Thrift Savings Plan* and the TSP Fund Information sheets, and review the historical and recent rates of return. Your agency TSP representative can also provide you with materials. If you are separated from Federal service, you can request publications from the TSP by calling the [toll-free] ThriftLine at 1-TSP-YOU-FRST (1-877-968-3778) or the TDD at 1-TSP-THRIFT5 (1-877-847-4385). Callers outside the U.S. and Canada should call 404-233-4400 [not toll free].



## GENERAL INFORMATION AND INSTRUCTIONS

Before you make any investment decisions, you should review the TSP Fund Information sheets. These are available from the TSP Web site, your agency, or, if you have left Federal service, from the TSP. Recent and historical rates of return for the TSP funds and related indexes are available on the TSP Web site ([www.tsp.gov](http://www.tsp.gov)).

### HOW TO MAKE YOUR INVESTMENT ALLOCATION

The TSP Web site and the TSP ThriftLine [1-877-968-3778] are the fastest and most efficient ways to make your investment allocation. Requests made on the Web site or ThriftLine by noon eastern time on any business day will ordinarily be processed that day. Requests made after noon will ordinarily be processed the next business day. To make your request on the ThriftLine, you will need your TSP account number and your 4-digit ThriftLine Personal Identification Number [PIN]. To make your request on the TSP Web site, you will need your TSP account number and your 8-character Web password.

You may also complete this form and mail it to: **Thrift Savings Plan, P.O. Box 385021, Birmingham, AL 35238.**

Do not submit this form to your agency. Your agency cannot process it. Forms TSP-50 are ordinarily processed within five business days of receipt.

This form is designed to be read by an optical scanner. Carefully type or print your information within the boxes. Use black or dark blue ink. If you hand print, use block letters and try to make your numbers look like the sample numbers below.

1	2	3	4	5	6	7	8	9	0
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### I. INFORMATION ABOUT YOU

Provide the information requested. **Do not** fill in leading zeros on the Date of Birth [Item 3] or Date Signed [Item 6]. Include a daytime phone number where you may be reached, if necessary. Your TSP account number is the 13-digit number that was issued to you. For security purposes, the TSP account number is used instead of your Social Security number to identify your account.

### II. YOUR INVESTMENT ALLOCATION

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. 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).

**Note:** If you are newly enrolled in the TSP and you are making your first contribution allocation, wait until you have received a letter confirming that your account has been established before you make a contribution allocation or an interfund transfer.

**Allocate Future Contributions.** Complete **Column 1** to specify the way your future contributions (as well as loan payments and transfers from other plans to your TSP account) should be invested. The total of the percentages in this column must equal 100%. Your election will stay in effect until you change it. This election will not change the investment of your current account balance.

**PRIVACY ACT NOTICE.** We are authorized to request the information you provide on this form under 5 U.S.C. chapter 84, Federal Employees' Retirement System. We will use this information to identify your TSP account and to process your transaction. In addition, this information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. We may share the information with law enforcement agencies investigating a violation of civil or criminal law, or agencies implementing a

**Request an Interfund Transfer (IFT).** Complete **Column 2** to change the way your current account balance is invested in the TSP funds; the total of the percentages in this column must equal 100%.

**Note:** An IFT allows you to redistribute all or part of your account among the different TSP funds. For each calendar month, your **first two** IFTs can redistribute money in your account among any or all of the TSP funds. After that, for the remainder of the month, your IFTs can **only** move money into the Government Securities Investment [G] Fund [in which case, you will increase the percentage of your account held in the G Fund by reducing the percentage held in one or more of the other TSP funds].

For example, if on May 10 you made a transfer which increased the percentage of your account invested in the F Fund and on May 17 you made an IFT which increased the percentage of your account in the G Fund, you have reached your unrestricted IFT limit for May. For the rest of May, you may transfer amounts in your TSP account to the G Fund only (i.e., you may only increase the percentage of your investment in the G Fund by decreasing the percentage of your investment(s) in one or more of the other TSP funds).

The transfer counts in the calendar month we process it, not in the month you submit it. For example, if you were to submit your transfer request at 12:15 p.m. on July 31, that would be after our noon cutoff for same-day processing. Therefore, we would not process your request until August 1 [the next business day], and it would count against your IFT limit for August.

Each IFT is a one-time transaction that affects your entire account balance as of the effective date of the transfer. Your IFT request is processed **after** your account has been valued using that day's closing share prices and after all other transactions [contributions, loans, withdrawals, etc.] have been completed.

This election does not change the way new contributions are invested. If you have both a civilian and a uniformed services account, this applies to each account separately.

### III. SIGNATURE — ACKNOWLEDGEMENT OF RISK

Your signature in Item 5 indicates that you have read and understood the statement below:

I understand that if I invest in the F, C, S, or I Fund, or in any TSP Lifecycle Fund, I am making this investment at my own risk. I also understand that I am not protected by either the U.S. Government or the Federal Retirement Thrift Investment Board against investment loss in the F, C, S, or I Fund, or any Lifecycle Fund, and that neither the U.S. Government nor the Federal Retirement Thrift Investment Board guarantees a return on my investment.

### CONFIRMATION

If you complete your request on the TSP Web site, you may elect to receive your confirmation via e-mail. Requests made on the ThriftLine or by mailing Form TSP-50 to the TSP will generate a mailed confirmation, which will be mailed to you at the address in your TSP account record. You can also review the result of your contribution allocation or interfund transfer on the TSP Web site or the ThriftLine.

statute, rule, or order. It may be shared with congressional offices, private sector audit firms, spouses, former spouses, and beneficiaries, and their attorneys. We may disclose relevant portions of the information to appropriate parties engaged in litigation and for other routine uses as specified in the Federal Register. 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.