

**New law suspends 2009 required minimum distributions:
The impact on your TSP account.**

On December 23, 2008, President Bush signed P.L. 110-458, “The Worker, Retiree and Employer Recovery Act of 2008” which places a one year suspension on receiving a required minimum distribution payment from individual retirement accounts and defined contribution plans for 2009. The primary reason for the law is to reduce the impact of the economic downturn on retired Americans who might otherwise have to sell assets in their IRAs or 401(k) plans at a loss to satisfy their minimum distributions.

Please be aware that the recent legislation does not affect 2008 required minimum distributions. Furthermore, participants who turned 70½ in 2008 are still required to make a withdrawal election before April 1, 2009, otherwise their TSP account becomes subject to abandonment in August 2009. Also, participants who are 70½ or older and who are currently receiving monthly payments cannot stop their payments. However, we will be offering the opportunity to reduce them.

Specific guidance about the implementation of the 2009 change has not yet been issued, but we will keep you apprised as more details become available. A special mailing to participants affected by the change will be mailed in January. Please continue to check the TSP Web site for the latest updates.