Subject: Notice, "Important Tax Information About Payments From Your TSP

Account" (Revised)

Date: July 12, 2005

The Federal Retirement Thrift Investment Board has revised the notice "Important Tax Information About Payments From Your TSP Account." The notice outlines, in a comprehensive chart, the Federal income tax consequences of TSP disbursements and the Federal income tax withholding rules. It also includes a section on taxable distributions of TSP loans due to separations from the uniformed services. The revision is dated 3/2005.

This notice supersedes the previous tax notice, "Important Tax Information About Payments From Your TSP Account," dated August 2002. In addition, this notice also replaces the tax notice for in-service withdrawal payments, "Important Tax Information About TSP In-Service Withdrawal Payments," dated July 2004.

Service responsibilities. Services should provide the tax notice to their participants upon request. The tax notice is available from the TSP Web site at www.tsp.gov. (See Publications\Tax Notices.) Authorized service representatives may also use the TSP's online ordering system, PRO-MAIL®, to obtain a supply of these notices for their service members.

Services may continue to use their current stock of the tax notice and the in-service withdrawal notice until the stock is depleted.

PAMELA-JEANNE MORAN

Vanda-Juan Moran

Director

Office of Benefits Services

Inquiries: Questions concerning this bulletin should be directed to the Federal Retirement

Thrift Investment Board at 202-942-1460.

This bulletin may be filed in Chapter 8, Withdrawal Program. Chapter:

Supersedes: This bulletin supersedes TSP Bulletin 02-U-36, Important Tax Information About

> Payments From Your TSP Account, dated August 6, 2002 and the tax notice, "Important Tax Information About TSP In-Service Withdrawal Payments,"

dated July 2004.