



Thrift Savings Plan BULLETIN for Service TSP Representatives

Subject: Revision of Form TSP-U-50, Investment Allocation

Date: August 1, 2005

The Federal Retirement Thrift Investment Board (Board) has revised [Form TSP-U-50](#), Investment Allocation, to include the new lifecycle (L) Funds. Although participants may use Form TSP-U-50 to request Thrift Savings Plan (TSP) contribution allocations and/or interfund transfers for their uniformed services accounts, they are strongly encouraged to use the TSP Web site (www.tsp.gov) or the ThriftLine (1-877-968-3778) to make investment requests. (97% of all investment requests are done on the TSP Web site.)

Services should provide the form to participants upon request. However, because the form cannot be processed by the TSP until a participant's account is established, services should not routinely provide the form to new members or new participants. As discussed in TSP Bulletin 05-U-7, Information Provided to New TSP Participants by the TSP Record Keeper, dated July 22, 2005, the TSP record keeper provides Form TSP-U-50 to new participants as part of a welcome package.

Unlike all other TSP forms, Form TSP-U-50 is not available from the TSP Web site in the Forms & Publications section. However, services may obtain copies of the July 2005 version of the form by following the procedures for ordering TSP materials. We are also attaching a PDF version to this bulletin. Services should discard all previous versions of Form TSP-U-50.

A handwritten signature in cursive script that reads "Pamela-Jeanne Moran".

PAMELA-JEANNE MORAN
Director
Office of Benefits Services

Attachment: Form TSP-U-50, Investment Allocation

Inquiries: Questions concerning this bulletin should be directed to the Federal Retirement Thrift Investment Board at **202-942-1460**.

Chapter: This bulletin may be filed in Chapter 6, Investments.

Supersedes: This bulletin supersedes TSP Bulletin 02-U-35, Revision of Form TSP-U-50, Investment Allocation, dated August 6, 2002.



TSP-U-50

Investment Allocation

July 2005

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 existing 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 currently or soon will be withdrawing from their accounts)

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 foreign and domestic 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 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 or service TSP representative can also provide you with materials. If you are separated from Federal service, you can request publications from the TSP Service Office by calling the ThriftLine (toll-free) at 1-TSP-YOU-FRST (1-877-968-3778) or 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 service, or, if you have left Federal service, from the TSP Service Office. Recent and historical rates of return for the TSP funds and related indexes are available on the TSP Web site and in the newsletter, *TSP Highlights*, which accompanies mailed quarterly participant statements.

HOW TO MAKE YOUR ELECTION

The TSP Web site (www.tsp.gov) and the TSP ThriftLine (1-877-968-3778) are the fastest and most efficient ways to make your investment allocation. You will need your Social Security number and your 4-digit TSP Personal Identification Number. 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.

Or, you may complete this form and mail it to:

**TSP Service Office
P.O. Box 60012
New Orleans, LA 70160-0012**

Do not fax this form. Do not submit this form to your service. Your service cannot process it. Forms TSP-U-50 are ordinarily entered within 24 hours 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 the hyphens on the Social Security number or 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. The phone number you provide should not be a Defense Switched Network (DSN) number.

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, do not submit this form until you have received your new account letter which confirms that your account has been established.

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.

Request an Interfund Transfer. Complete **Column 2** to change the way your current account balance is invested in the funds. The total of the percentages in this column must equal 100%. Each interfund transfer is a one-time transaction that affects your entire account balance as of the effective date of the transfer. This election does not change the way future contributions are invested.

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-U-50 to the TSP Service Office 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.

PRIVACY ACT NOTICE. We are authorized to request this information under 5 U.S.C. chapter 84. Executive Order 9397 authorizes us to ask for your Social Security number, which will be used to identify your uniformed services account. We will use the information you provide on this form to process your investment allocation request. This information may be shared with other Federal agencies for statistical, auditing, or archiving purposes. In addition, we may share the information with law enforcement

agencies investigating a violation of civil or criminal law, or agencies implementing a 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 also disclose relevant portions of the information to appropriate parties engaged in litigation. 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 investment allocation request.