

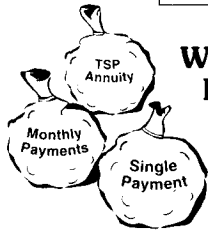


Highlights

NOVEMBER 1994

for Thrift Savings Plan Participants

**TSP Open Season:
November 15 – January 31**



Withdrawal Options Expanded

The TSP is implementing legislation passed earlier this year that simplifies withdrawals from the Plan.

Effective in March 1995, all separated participants may choose any of the TSP withdrawal options — or leave their money in the TSP — regardless of length of service or retirement eligibility.

Withdrawal options include: a single payment, a series of monthly payments, or a TSP life annuity. You can also have the TSP transfer all or part of a single payment (and certain monthly payments) to an Individual Retirement Arrangement (IRA) or other eligible retirement plan.

Under the new legislation, for accounts over \$3,500, spouses of all FERS participants have the right to a survivor annuity unless they waive that right and spouses of all CSRS participants must be notified about the withdrawal option selected. Notice to former spouses of participants has been eliminated.

(Continued on page 2)

“Hello . . . ThriftLine?”

The TSP Inquiry Line is now the **ThriftLine**, and it provides two new services. Now, using your touch-tone telephone, you can request an interfund transfer or change your Personal Identification Number (PIN). As always, you can get the rates of return for the three TSP investment funds and check your account balances or the status of your loan or withdrawal request. The wallet card below outlines all of the ThriftLine features.

Interfund Transfers

You can use the ThriftLine instead of submitting Form TSP-30, Interfund Transfer Request, to move money already in your TSP account from one fund to another. The ThriftLine is the most efficient way to make, change, or cancel interfund transfer requests because your instructions are recorded immediately. With the ThriftLine, you avoid the mailing time and uncertainty of the effective date associated with a paper request.

Requesting a transfer. If you have **ever** invested in the C or F Fund, you can use the ThriftLine for interfund transfers. Choose the Account Activity module from the Main Menu (see the flow chart on the wallet card). You will be asked for your Social Security number and your PIN before you can access any of your account information. To request a transfer, follow the ThriftLine instructions and enter the percent of your total account balance that you want invested in each fund. Percentages must total 100. *Be sure to stay on the line to confirm the percentages or your transfer will not be effective.*

If you have **never** invested in the C or F Fund, you must file a statement with the TSP acknowledging that you understand there is investment risk in these funds before you can request an interfund transfer on the ThriftLine. For participants who have never invested in the C or F Fund, Form TSP-32, Acknowledgement of Risk for ThriftLine Interfund Transfers, is enclosed with this mailing so they can submit it to make interfund transfers on the ThriftLine in the future.

(Continued on page 2)

ThriftLine — FastKeys

- Rates of Return **1**, **1**, **1**
- Account Activity —
1, **2**, SSN and **#**, PIN and **#**

Then press:

- | | |
|------------------------------|----------------------------------|
| 1 Account Balances | 5 Rates of Return |
| 2 Interfund Transfers | 6 PIN Change |
| 3 Loan Information | 7 Return to Previous Menu |
| 4 Withdrawals | * Repeat a Section |

TSP ThriftLine

(504) 255-8777

Press:

- 1** **Plan Information** — rates of return and plan news
- 2** **Account Activity** — account balances; interfund transfer request and status; loan status, amount available to borrow, and interest rates; withdrawal status; rates of return; PIN change

Fold along this line

✂ Cut and fold

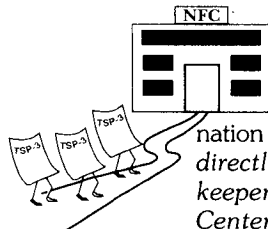
Beneficiary *Continued from page 1*

If you leave Federal service after January 1, your agency will give you a withdrawal package with the new Withdrawal Booklet and Forms TSP-70, Withdrawal Request, and TSP-70-T, Transfer Information. The package will also include tax information.

If you are already separated from service, the TSP will send you information before March 1995 about the changes, as well as new forms.

If you have requested a withdrawal but do not receive payment before March 1995, the TSP will let you know whether you have to reapply using the new forms. 🐼

Naming a Beneficiary



Beginning in January 1995, all employed participants who want to file Form TSP-3, Designation of Beneficiary, will do so directly with the TSP recordkeeper, the National Finance Center, rather than with their agency personnel offices. Forms TSP-3 currently in Official Personnel Folders will be sent to the TSP recordkeeper by the agencies over the next several months.

To be sure that your beneficiary information is in the recordkeeper's system, you may choose to submit a new Form TSP-3 to NFC with updated information. If you file more than one Form TSP-3, the one with the most recent date supersedes all others.

If you want to file a new designation, your agency will have the new TSP-3 forms in January. 🐼

ThriftLine *Continued from page 1*

Effective date and confirmations. Interfund transfer requests made by midnight (Central Time) on the 15th of the month are effective as of the last day of that month. (If the 15th day of the month falls on a weekend, holiday, or other nonbusiness day, the deadline will be midnight on the next business day.) Requests made after the 15th of the month are effective as of the last day of the following month.

Within 10 days of your call, you will receive a confirmation of your requested allocations and the date the transfer will be effective. By the end of the month following the transfer, you will receive a confirmation showing the new allocation and your balances in each fund.

Changes or cancellations. You may also use the ThriftLine to review, replace, or cancel a pending interfund transfer request. You must call by the 15th of the month. *Again, be sure to stay on the line to confirm your new percentages or cancellation, or your change will not be effective.* The TSP will send you a confirmation of the new request or the cancellation.

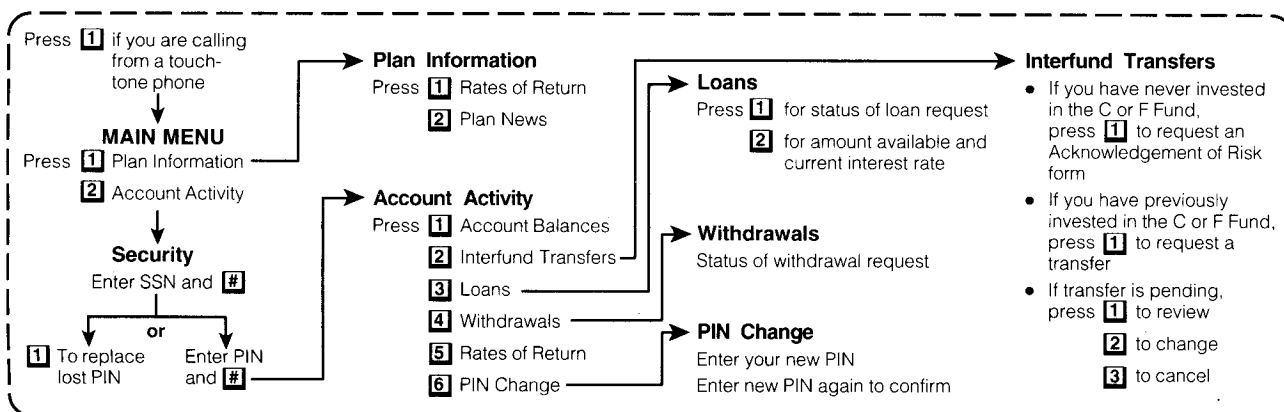
By using the ThriftLine for all your interfund transfer activity, you can make, replace, or cancel a request right up to the deadline on the 15th of the month. On the other hand, if you make a request on paper, you may not be able to change or cancel it using the ThriftLine because the data entry of your form may occur after the deadline. You should not mix paper and ThriftLine requests.

PIN Changes

You may use the ThriftLine to request a four-digit PIN of your choice, or you can request that a new PIN be assigned to you. (Ensure the privacy and security of your TSP account by keeping your PIN in a secure place. Your PIN is printed on the enclosed Participant Statement, but will not appear on future statements.)

If you have lost or forgotten your PIN, you may ask the ThriftLine to assign you a new one. Select Account Activity from the Main Menu and enter your Social Security number. When the ThriftLine asks you for your PIN, follow the instructions to indicate that your PIN is lost. The new PIN will be mailed to you; you will not be able to access your account using the ThriftLine until you receive your new PIN.

To change your PIN to a number of your choice, select Account Activity from the Main Menu. Follow the instructions to enter your Social Security number and your current PIN; then select PIN Change from the Account Activity menu. Enter your new PIN and confirm it by entering it again. Your new PIN is effective immediately. 🐼



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Thrift Savings Plan Investment Information

The Thrift Investment Board manages the G Fund assets. The Board has contracts with Wells Fargo Institutional Trust Company (Wells Fargo), a company jointly owned by Wells Fargo Nikko Investment Advisors and Wells Fargo & Co., to manage C and F Fund assets.

Following is a brief description of the three TSP funds. For more information about the G, C, and F Funds, see the *Summary of the Thrift Savings Plan for Federal Employees*.

Government
Securities
Investment
Fund

The G Fund is invested in short-term nonmarketable U.S. Treasury securities that are specially issued to the TSP. The G Fund interest rate equals the average of market rates of return on U.S. Treasury marketable securities outstanding with four or more years to maturity. There is no credit risk (risk of nonpayment of principal or interest) for the Treasury securities in the G Fund. In addition, market risk (the risk that investments may fluctuate in value as interest rates change) is minimized by the Board's current policy of investing the G Fund in short-term rather than longer-term securities.

Table 1 presents the calendar-year total rates of return for the last ten years for G Fund related securities, based on the monthly rates (compounded) for such securities. It also shows the actual 1988 - 1993 G Fund rates of return, after deducting administrative expenses of the Plan. Plan expenses reduced the 1993 return by 0.12%, or \$1.20 for every \$1,000 of G Fund account balance. There is no assurance that future rates of return for the G Fund will resemble any of these rates.

The C Fund is invested in the Wells Fargo Equity Index Fund, a commingled fund that tracks the Standard & Poor's (S&P) 500 stock index. The C Fund gives participants the opportunity to diversify their investments and to earn the relatively high investment return that stocks sometimes provide, while

Common
Stock Index
Investment
Fund

Table 1

Year	G Fund	Related Securities
1984		13.13%
1985		11.33%
1986		8.29%
1987		8.73%
1988	8.81%	9.19%
1989	8.81%	9.01%
1990	8.90%	8.97%
1991	8.15%	8.26%
1992	7.23%	7.32%
1993	6.14%	6.23%
1988 - 1993 compound annual rate of return		
	8.00%	8.16%
1984 - 1993 compound annual rate of return		
		9.03%

lessening the effect that the poor performance of an individual stock or industry will have on overall investment performance. The risk of investing in the C Fund is that the value of stocks can decline sharply. The total return on the C Fund could be negative, resulting in a loss.

Table 2 presents the calendar-year total rates of return for the Wells Fargo Equity Index Fund and the S&P 500 stock index for the last ten years. It also shows the 1988 - 1993 C Fund rates of return (after deducting expenses). TSP administrative expenses and C Fund investment management fees reduced the 1993 C Fund return by 0.13%, or \$1.30 for every \$1,000 of C Fund account balance. There is no assurance that future rates of return for the C Fund will resemble any of these rates.

(Continued on page 4)

Table 2

Year	C Fund	Wells Fargo Equity Index Fund	S&P 500 Index*
1984		6.55%	6.12%
1985		32.32%	32.02%
1986		18.49%	18.55%
1987		5.23%	5.23%
1988	11.84%**	16.60%	16.83%
1989	31.03%	31.61%	31.53%
1990	-3.15%	-3.19%	-3.18%
1991	30.77%	30.42%	30.57%
1992	7.70%	7.61%	7.68%
1993	10.13%	10.10%	9.99%
1988 - 1993 compound annual rate of return			
	14.06%	14.85%	14.90%
1984 - 1993 compound annual rate of return			
		14.97%	14.93%

* Calculated by Wilshire Associates.

** The first C Fund investment in the stock market occurred on January 29, 1988.

Investment Information

Continued from page 3

Fixed Income
Index
Investment
Fund

The F Fund is invested in the Wells Fargo U.S. Debt Index Fund, a commingled fund that tracks the Lehman Brothers Aggregate (LBA) bond index. This index consists primarily of high-quality fixed-income securities representing the U.S. Government, corporate, and mortgage-backed securities sectors of the U.S. bond market.

The F Fund offers the opportunity for increased rates of return in periods of generally declining market interest rates. At such times, the values of the longer-term securities held in the F Fund should increase, unlike those of the short-term securities held in the G Fund. The F Fund has the potential for negative returns (when market interest rates are increasing), which could result in a loss.

Table 3 presents the calendar-year total rates of return for the Wells Fargo U.S. Debt Index Fund and the LBA bond index for the last ten years. It also shows the 1988-1993 rates of return for the F Fund (after deducting expenses). TSP administrative expenses and F Fund investment management fees reduced the 1993 F Fund return by 0.14%, or \$1.40 for every \$1,000 of F Fund account balance. There is no assurance that future rates of return for the F Fund will resemble any of these rates.

Recent performance of the TSP funds. Table 4 presents monthly rates of return (after expenses), which are used in crediting earnings to your account.

TSP Accounts as of 9/30/94

G Fund \$ 17.44 billion
C Fund \$ 5.83 billion
F Fund \$ 1.59 billion

Total accounts \$ 24.86 billion

Table 3

Year	F Fund	Wells Fargo U.S. Debt Index Fund*	LBA Bond Index**
1984			15.15%
1985			22.11%
1986			15.26%
1987		2.52%	2.76%
1988	3.63%***	7.93%	7.89%
1989	13.89%	14.45%	14.53%
1990	8.00%	8.89%	8.96%
1991	15.75%	16.03%	16.00%
1992	7.20%	7.37%	7.40%
1993	9.52%	9.74%	9.75%
1988 - 1993 compound annual rate of return			
	9.59%	10.69%	10.71%
1987 - 1993 compound annual rate of return			
		9.48%	9.53%
1984 - 1993 compound annual rate of return			
			11.85%
* Established in July 1986. Prior to January 1990, the Wells Fargo U.S. Debt Index Fund tracked the Salomon Brothers Broad Investment Grade index.			
** Calculated by Lehman Brothers.			
*** The first F Fund investment in the bond market occurred on January 29, 1988. Through December 1990, the F Fund was invested in the Wells Fargo Bond Index Fund, which tracked the Lehman Brothers Government/Corporate bond index.			

Table 4

Month	G Fund	C Fund	F Fund
1993			
October	0.47%	2.04%	0.38%
November	0.45%	-0.93%	-0.84%
December	0.49%	1.20%	0.52%
1994			
January	0.51%	3.40%	1.33%
February	0.43%	-2.70%	-1.72%
March	0.52%	-4.39%	-2.45%
April	0.56%	1.28%	-0.81%
May	0.60%	1.66%	-0.02%
June	0.59%	-2.47%	-0.24%
July	0.62%	3.27%	1.97%
August	0.60%	4.11%	0.13%
September	0.59%	-2.44%	-1.47%
12 months	6.63%	3.65%	-3.25%



ThriftLine Tips

- **Your Address Is Important.** Confirmation of your interfund transfer request (or cancellation) and lost PIN replacements will be sent to the address on file with the TSP. To change an incorrect address, contact your agency personnel office (if you are employed) or the TSP Service Office (if you are separated).
- **You Are Not Alone . . .** Most calls to the ThriftLine occur each month on the first couple of days after the mid-month processing cycle. If you can wait a day or two to call, you will find it easier to get through.
- **Rates of Return** — A Fact Sheet on C, F, and G Fund Monthly Returns is also available from your agency personnel office.