



Highlights

for Thrift Savings Plan Participants

NOVEMBER 1991

TSP Open Season: November 15 - January 31

Ask your agency employing office for the Election Form (TSP-1) to start or change your contributions.



TSP Inquiry Line Adds Rates of Return

You or your agency can now call the TSP Inquiry Line, (504) 255-8777 (FTS 680-8777), to learn the most recent rates of return for the three TSP Funds.

This automated service also tells you:

- Your account balances in the G, C, and F Funds
- The amount you may be eligible to borrow from your account (if employed)
- The TSP loan interest rate
- The status of a withdrawal request (if separated)

You can also ask for an Interfund Transfer Request (Form TSP-30). To use the Inquiry Line for these purposes, you will need your Social Security number and your Personal Identification Number (PIN), which is printed on your Participant Statement.

TDD

Telecommunications Device for the Deaf
(504) 255-5113 (FTS 680-5113)
Monday - Friday: 7:45 a.m. - 4:15 p.m. (Central time)



Large print version of the Summary of the Thrift Savings Plan for Federal Employees - If you are visually impaired, ask your agency employing office to request a copy for you from your agency's TSP Coordinator.

Is the Check in the Mail?

Many of the letters and phone calls that we get are from TSP participants wondering when they will receive their loan or withdrawal checks. For those of you who have requested loans or withdrawals, or who may request them in the near future, you should be aware of the time required to process your request.

In the 1990 *Summary of the Thrift Savings Plan for Federal Employees*, we advise participants that they should allow up to two months between the time that they submit all required forms and information for a loan or withdrawal and the time the check is sent to them. (In the case of a withdrawal, we must also receive information from their agencies.) To many participants, this seems like an unreasonably long period of time to wait for their money. They fear that their materials are sitting in a "hold" box waiting for someone to get around to reviewing them. On the contrary, the materials are handled promptly. Of course, if the information provided by you or your agency is not complete, more time will be required to resubmit forms.

The reason you have to wait for your check after your request is approved is because the TSP is a monthly valued plan, like the 401(k) retirement savings plans of many corporations. Monthly valuation means that earnings are credited to your account only once a month. The value of your investments in each of the three Funds is determined after earnings (including possible losses, in the case of the C and F Funds) are credited during the monthly valuation. Your loan or withdrawal cannot be disbursed until the exact value of your account is known.

Although monthly valuation - and your loan or withdrawal - takes place "as of" the end of the month, the processing does not actually happen until the middle of the following month. We receive the final C and F Fund earnings reports from the investment manager on the sixth business day after the end of the month. We do not post earnings until the weekend after we receive the C and F Fund earnings reports, because the crediting of earnings to the accounts of nearly 1.8 million

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? *Participants Ask*

Q *I requested my interfund transfer by mid-September, but didn't receive confirmation until the end of October. Why did it take so long?*

A Your Interfund Transfer Request (Form TSP-30) must be received by our recordkeeper by the 15th of the month if you want the transfer to be made effective at the end of the month – in your case, September. This allows us sufficient time to process all interfund transfer requests and to move the estimated transfer amounts among the G, C, and F Funds by the last business day of the month.

While funds are transferred only on the last day of the month, we cannot determine the precise amount of your individual transfer until we calculate the value of your end-of-month balances in each Fund. This process takes place in the middle of the following month (October, in your case), after we receive the earnings reports from the investment manager and complete the mid-month processing, as described on page 1.

Your Confirmation of Interfund Transfer (Form TSP-31) is mailed during the week following the mid-month processing of your transaction.

Q *Why doesn't the TSP have a toll-free information line?*

A We want to keep your administrative costs as low as possible. Providing a toll-free number would increase the costs of running the TSP. The administrative expenses of the Plan

Participants Ask *Continued*

must be borne by participants; there are no appropriations or other sources of funding. Thus, the costs associated with a toll-free number would reduce the earnings of all participants, not just those who use the service.

To decrease the costs associated with a live operator, we established the TSP Inquiry Line to answer questions that participants frequently ask (see page 1). This service is in addition to the other TSP telephone services listed on page 33 of the Plan Summary. But remember, your agency employing office is your primary contact for information about other aspects of the TSP while you are employed by the Federal Government. 🐼

Is the Check in the Mail? *Continued from page 1*

participants requires considerable computer time, which is only available on the weekend.

Let's assume that you want to receive your loan or withdrawal in February. If you have C or F Fund investments, your loan or withdrawal has to be approved and scheduled for disbursement by the second-to-last business day of January. This is because on the last day of January, the anticipated amount of loans and withdrawals from the C and F Funds is removed from the stock and bond markets to avoid market exposure (and possible losses) between the end of the month and the time that the money is actually paid out in the middle of February. However, if your payment is not approved by the second-to-last business day of January, it cannot be processed in February, and must wait until the mid-month processing cycle in March.

If your TSP account is invested only in the G Fund, your loan or withdrawal can be approved for payment through the last business day before the processing of transactions in the middle of February. The G Fund is invested in special short-term Treasury securities which do not fluctuate in value. Earnings on the G Fund cannot be negative; therefore, unlike the C and F Funds, there is no need for the Board to remove estimated loan or withdrawal amounts from the G Fund before the end of the month preceding disbursement.

Loan and withdrawal checks are mailed during the week following the mid-month processing of your transaction.

For more information about processing loans and withdrawals, see the Plan Summary, pages 24 (withdrawals) and 29 (loans). Also see the booklet "TSP Loan Program," page 11. 🐼

Thrift Savings Plan Investment Information

The Thrift Investment Board manages the G Fund. 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 and 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.

The table to the right 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. The table also shows the actual 1988-1990 G Fund rates of return, after deducting administrative expenses of the Plan. Plan expenses reduced the 1990 return by 0.11%, or \$1.10 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.

Common
Stock Index
Investment
Fund

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

Year	G Fund	Related Securities
1981		14.18%
1982		13.56%
1983		11.61%
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%
1981 - 1990 average annual rate of return		10.78%

stocks sometimes provide, while 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.

The table below 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. The table also shows the 1988-1990 C Fund rates of return (after deducting expenses). TSP administrative expenses and C Fund investment management fees reduced the 1990 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.

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Year	C Fund	Wells Fargo Equity Index Fund	S&P 500 Index*
1981		-4.62%	-5.10%
1982		21.52%	21.09%
1983		22.37%	22.36%
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%
1981 - 1990 average annual rate of return		13.99%	13.84%

* Calculated by Wilshire Associates.

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

Investment Information

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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 Shearson Lehman Brothers Aggregate (SLBA) 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.

The table to the right presents the calendar-year total rates of return for the Wells Fargo U.S. Debt Index Fund and the SLBA bond index for the last ten years. The table also shows the 1988-1990 rates of return for the F Fund (after deducting expenses). TSP administrative expenses and F Fund investment management fees reduced the 1990 F Fund return by 0.13%, or \$1.30 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.

Year	F Fund	Wells Fargo U.S. Debt Index Fund*	SLBA Bond Index**
1981			6.25%
1982			32.62%
1983			8.35%
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%
1987 - 1990 average annual rate of return			8.45%
1981 - 1990 average annual rate of return			13.10%

* 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 Shearson Lehman Brothers, Inc.

*** 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 Shearson Lehman Brothers Government/Corporate bond index.

Recent performance of the TSP Funds. The monthly rates of return (after expenses) for the 12 months through September 1991 are presented below. These rates of return are used in crediting earnings to your account each month:

Month	G Fund	C Fund	F Fund
1990			
October	0.76%	-0.46%	1.32%
November	0.70%	6.36%	2.15%
December	0.70%	2.72%	1.46%
1991			
January	0.69%	4.55%	1.15%
February	0.62%	7.07%	0.86%
March	0.68%	2.40%	0.67%
April	0.66%	0.18%	1.05%
May	0.68%	4.30%	0.57%
June	0.66%	-4.49%	-0.01%
July	0.69%	4.63%	1.40%
August	0.69%	2.37%	2.12%
September	0.64%	-1.63%	1.99%
12 months	8.48%	31.10%	15.75%

TSP Accounts as of 9/30/91

G Fund	\$ 9,207 million
C Fund	\$ 751 million
F Fund	\$ 240 million
Total accounts	\$10,198 million



Anything amiss on your statement?

Your Participant Statement shows important information that we have about you in our account records. Contact your agency employing office if you notice an error in your name, address, Social Security number, date of birth, TSP service computation date, retirement classification, contributions, etc.

If you have left Federal service and you see an error in your name, address, Social Security number, or date of birth, notify the TSP Service Office at the address on the front of your statement. However, notify your former agency if you see an error in your TSP service computation date, retirement classification, contributions, etc.