



Thrift Savings Plan BULLETIN for Agency TSP Representatives

Subject: Immediate Investment of TSP Contributions

Date: January 27, 1997

The purpose of this bulletin is to inform agencies of a change in procedure regarding the posting of contributions to participants' Thrift Savings Plan (TSP) accounts.

The Federal Retirement Thrift Investment Board (Board) currently requires each agency payroll office to submit its payroll data to the TSP recordkeeper at least 2 business days before the agency's established pay date (the date reflected in Block 6 of Form TSP-2, Certification of Transfer of Funds and Journal Voucher). This time frame is generally necessary so that the TSP data can be edited by the TSP System and posted to participants' accounts by the agency's established pay date. When agency payroll offices submit payroll data more than 2 business days before the agency's established pay date, the data are edited and placed in a "waiting" status. The contributions are posted to each participant's account on the agency's established pay date. Contributions in "waiting" status remain uninvested. As a result, the TSP does not receive earnings on the uninvested contributions.

In order to maximize the earnings for all participants, the TSP recordkeeper will, as of January 31, 1997, begin posting contributions to participant accounts as soon as the contributions data have passed all of the applicable TSP system edits. This means that, in some cases, contributions will be posted to the accounts of participants and will be invested before an agency's established pay date.*

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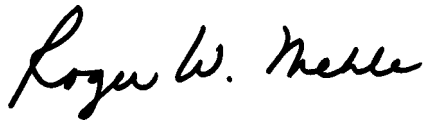
*There will be no change in the current procedures for reporting an agency's TSP contributions to the Treasury; generally, all TSP contributions are reported to the Treasury by the TSP recordkeeper once a month (via the SF 224, Statement of Transactions), regardless of when the contributions are posted to participants' TSP accounts.

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, Establishing and Maintaining Accounts.

Since most payroll offices do not generally submit data more than 2 business days before their pay date, this change in our procedure may not affect many agencies. However, it is important for agencies to know that TSP data submitted will now be processed and posted to the accounts of TSP participants as soon as the data are edited and validated.

The Board encourages agencies to submit TSP data timely. The timely submission of valid TSP data ensures that contributions are invested promptly, thus increasing earnings for all participants.

A handwritten signature in black ink that reads "Roger W. Mehle". The signature is written in a cursive style with a large initial 'R'.

ROGER W. MEHLE
Executive Director