



Service Member and Family Support
3225 State St, Rm 173
(503) 584-2389

TSP is Changing (01 July) / TSP 101

BLUF: Call your PFC and set an appointment to talk about the Thrift Savings Plan.

Beginning 01 July, there will be SIX NEW FUNDS in TSP, and ONE GOING AWAY. Woah! Stop the bus! Let's break down some information.

Here's TSP 101 training:

Should I invest? The short answer: **"YES!"** This is a "No Brainer" decision, especially if in the new "Blended System" or a Federal Employee. Contribute 5%, and get a 5% match. **Free money? I'd take it!** Do nothing, and have nothing in retirement, miss compounding of interest, and tax benefits in retirement. **Sad!**



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Why TSP? TSP is a great tool to invest long term for your retirement. There is nothing like it in the civilian world. It has very low fees and is well diversified. Big wins!

But wait, there's more! There are "Lifecycle Funds". L Funds are a mix of G, F, C, S, & I. The L2020 will convert to the "L Income" fund; a very low risk / low return fund. L2030, L2040, and L2050 take more, and more risk. With more time before that targeted retirement date, more risk has the high potential for more compounding gains. New to the mix are L2025, L2035, L2045, L2055, and L2060. With all the L funds, as you get closer to that target year, the fund becomes less risky, more stable, and safer.

Which fund(s) should you select? It depends... The answer is different for everyone.



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Roth or Traditional? With a Traditional fund, contributions go in pre-tax, but are taxed upon withdrawal. In a Roth, your contributions are taxed, but the gains are tax free. Which is right for you? There's another "*No Brainer*" answer here: Roth funds protect gains from future taxes. Pay taxes on up to \$6k/year, and not pay taxes on thousands later.

When should I act on this information? Short answer, "**NOW!**" Another "*No Brainer*" decision. This "stuff" is a great topic of conversation with your favorite Personal Financial Counselor.

Younger Service Members: I'd like to help you become ***Multi-Millionaires***.

Not-so-young Service Members: It's not too late to change your flight path.



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Do you know where your TSP money is?

"The best time to plant a tree was 20 years ago. The second best time is now."

What are you waiting for? Call me and set up an appointment to have a conversation.



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