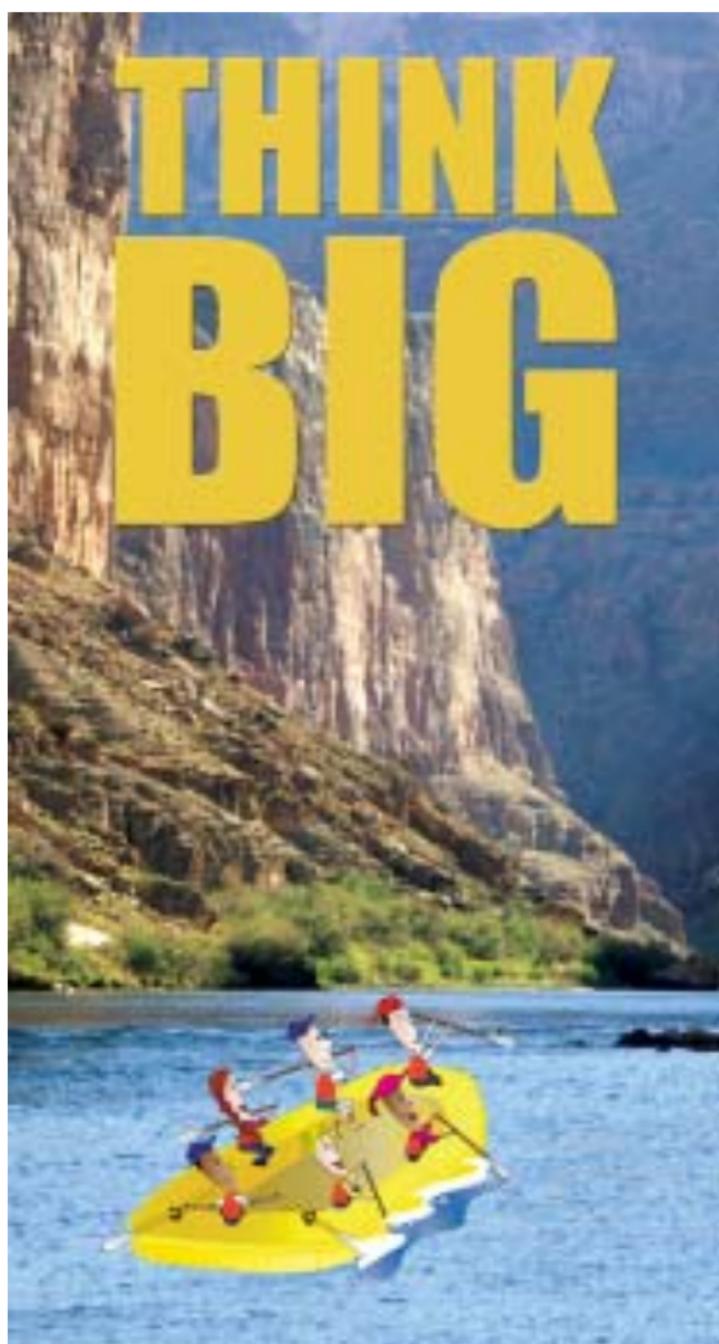


TSP

Open Season

October 15 – December 31, 2003



FERS and CSRS
Employees

The Thrift Savings Plan is a voluntary retirement savings and investment plan for FERS (Federal Employees' Retirement System) and CSRS (Civil Service Retirement System) employees and for members of the uniformed services. The purpose of the TSP is to provide retirement income. A major advantage of the TSP is that you pay no taxes on contributions or earnings until you withdraw from your account.

If you are covered by FERS, you can make contributions from your basic pay as soon as you are hired. You can also begin or change the amount of your contributions during an open season. This open season you can elect to contribute up to 14% of your basic pay each pay period, up to the Internal Revenue Service (IRS) annual limit (\$13,000 for 2004).

As soon as you are eligible for agency contributions, your agency will automatically contribute an amount equal to 1% of your basic pay each pay period, whether you contribute or not.

In addition, if you contribute your own money, your agency will match your contributions:

- dollar-for-dollar on the first 3% you contribute each pay period, and
- 50 cents on the dollar for the next 2% you contribute.

FERS employees hired before December 1, 2002, are already eligible for agency contributions.

If you were hired:	Agency contributions will begin:
December 1, 2002 – May 31, 2003	First full pay period in December 2003
June 1, 2003 – November 30, 2003	First full pay period in June 2004
December 1, 2003 – May 31, 2004	First full pay period in December 2004

If you are covered by CSRS, you can elect to contribute up to 9% of your basic pay each pay period, up to the IRS annual limit (\$13,000 for 2004). You do not receive any agency contributions.

The TSP open season is your chance to start or change the amount of your contributions to your TSP account. Ask your personnel office for the TSP Election Form (TSP-1) or download a copy from the Forms & Publications section of the TSP Web site, www.tsp.gov. Your contributions will be made automatically from your pay each pay period.

If you are age 50 or older, and you are contributing the maximum amount of regular TSP contributions for which you are eligible, you may also elect to make additional “catch-up” contributions up to \$3,000 for 2004. Submit Form TSP-1-C to your agency.

Note: Some agencies use an electronic version of Forms TSP-1 and TSP-1-C. Check with your personnel office for guidance.

You can choose among five investment funds:

- **Government Securities Investment (G) Fund** — invested in short-term, risk-free U.S. Treasury securities that are specially issued to the TSP
- **Fixed Income Index Investment (F) Fund** — invested in a bond index fund that tracks the Lehman Brothers U.S. Aggregate (LBA) bond index
- **Common Stock Index Investment (C) Fund** — invested in a stock index fund that tracks the Standard & Poor’s (S&P) 500 stock index (which comprises large companies)

- **Small Capitalization Stock Index Investment (S) Fund** — invested in a stock index fund that tracks the Wilshire 4500 stock index (which comprises small and medium companies)
- **International Stock Index Investment (I) Fund** — invested in a stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) stock index (which comprises stocks in 21 countries)

You may choose or change your investments in the following ways:

- **Contribution allocation** — specifies the way in which all new money coming into your account (payroll contributions, loan payments, transfers and rollovers from other retirement plans) is invested in the funds. It does not affect the investment of your current balance. Until you make a contribution allocation, your money will be invested in the G Fund.
- **Interfund transfer** — redistributes the money already in your account. It does not affect the investment of future contributions.

You may make your contribution allocation or interfund transfer at any time using:

- the TSP Web site (www.tsp.gov)
- the ThriftLine (504-255-8777)
- **Form TSP-50, Investment Allocation**

The Web site and the ThriftLine are the most efficient ways to make your investment allocation. You will need your Social Security number and your TSP Personal Identification Number (PIN) to make your request. If you are a new participant, you will receive a PIN in the mail after your account is established. If you lose or forget it, you will have to request a new one.

The annual rates of return (net earnings after expenses) for the G, F, C, S, and I Funds are shown below.

Year	G Fund	F Fund	C Fund
1993	6.1%	9.5%	10.1%
1994	7.2%	-3.0%	1.3%
1995	7.0%	18.3%	37.4%
1996	6.8%	3.7%	22.8%
1997	6.8%	9.6%	33.2%
1998	5.7%	8.7%	28.4%
1999	6.0%	-0.8%	21.0%
2000	6.4%	11.7%	-9.1%
2001	5.4%	8.6%	-11.9%
2002	5.0%	10.3%	-22.0%
1993 – 2002 compound annual rates of return	6.2%	7.5%	9.3%

Year	S Fund*	I Fund*
1993	14.6%	32.7%
1994	-2.7%	7.8%
1995	33.5%	11.3%
1996	17.2%	6.1%
1997	25.7%	1.5%
1998	8.6%	20.1%
1999	35.5%	26.7%
2000	-15.8%	-14.2%
2001	-9.0%	-21.9%
2002	-18.1%	-16.0%
1993 – 2002 compound annual rates of return	7.3%	3.9%

* The S and I Funds were implemented in May 2001. The S Fund tracks the Wilshire 4500 stock index. The I Fund tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) stock index. The returns shown reflect the actual performance of the S and I Funds from May 2001 forward, and the returns of the Wilshire 4500 and EAFE indexes (without deduction of any administrative expenses, trading costs, or investment management fees), respectively, for the first four months of 2001 and for prior years.

There is no guarantee that future rates of return will replicate historical rates. There is risk of investment loss in the F, C, S, and I Funds.

You can get the most recent share prices and rates of return by visiting the TSP Web site at www.tsp.gov or by calling the ThriftLine at (504) 255-8777.

More information about the TSP is available from your personnel office. Ask for the *Summary of the Thrift Savings Plan for Federal Employees*. Be sure to review the information in the Plan Summary before you make any TSP decisions. If you want more detailed information on the TSP investment funds, read the *Guide to TSP Investments*. Additional information (as well as the most recent forms and publications) is available from the TSP Web site.

Restrictions on withdrawing your money apply while you are employed; however, the TSP loan program can give you access to money that you have contributed. Also, in-service withdrawals are available under certain circumstances. Read the Plan Summary for details.

Reminder to TSP participants: If your address has changed, contact your agency immediately to correct your TSP account records.



**Thrift Savings Plan
for Federal Employees**

