Make the most of your investments in the Thrift Savings Plan

The end of the year is a great time to take stock of your finances. That's true whether you've just converted to career or are a longtime carrier. As a letter carrier, that means considering how the Thrift Savings Plan (TSP) can play a valuable role in your retirement strategy.

The TSP is an essential component of the Federal Employees Retirement System (FERS), the retirement program that covers most USPS employees. Like many of the 401(k) savings plans offered by private-sector employers, the TSP allows federal employees to save pre-tax dollars each month in an investment account—giving letter carriers who participate the chance to save for retirement quickly and easily. TSP participants choose how the money in their account is invested.

The Postal Service automatically enrolls new career carriers in TSP. City carrier assistants (CCAs) converted to career, or career letter carriers hired on or after July 31, 2010, have been automatically enrolled. Five percent of the base pay of new enrollees is automatically deducted and deposited in a TSP account each pay period, though participants may choose to eliminate, increase or decrease their level of contributions.

The Postal Service deposits matching contributions up to 4 percent of basic pay, as well as automatic agency contributions equal to 1 percent of basic pay. Career letter carriers hired before July 31, 2010, and covered by FERS, were automatically enrolled in a TSP account with 1 percent contributions from the Postal Service, but with no automatic employee deductions. Instead, the deductions must be set up by the employee. USPS will match a portion of the first 5 percent of FERS employee contributions. The first 3 percent is matched dollar for dollar; the next 2 percent are matched with 50 cents per dollar. This is in addition to USPS's automatic 1 percent contribution, for a total USPS contribution of 5 percent of the letter carrier's base pay when the carrier elects to contribute 5 percent or more.

For CCAs who have not yet converted to career letter carriers, NALC's Mutual Benefit Association offers a CCA Retirement Savings Plan, where traditional IRA funds can be rolled into the TSP once the CCA becomes a career letter carrier.

Unlike with some other employee benefits, there is no open season for enrollment in TSP. Carriers can use LiteBlue to enroll in the TSP or to make changes to their deductions or investments at any time of the year. The benefits of easy, tax-deferred savings through TSP are amplified by the Postal Service's matching contributions to your account.

Participating employees can also make unmatched contributions (above the 5 percent level), but the IRS annual limit for total contributions to the TSP and other such retirement savings plans is $22,500 in 2023. Participants might be eligible to make additional "catch-up" contributions to boost their savings beginning the year they turn 50. These catch-up contributions are not matched by USPS and are limited to $7,500 in 2023.

Carriers covered by the Civil Service Retirement System also can join TSP, but they do not receive matching contributions from USPS. Nevertheless, like their FERS counterparts, they can keep more of what they save because of the tax savings and the TSP's minimal administrative costs. Indeed, such costs are much lower than those of similar private plans. In 2022, the TSP charged participants a net administrative expense of no more than 59 cents per $1,000 invested for each investment fund, or .059 percent. That is much lower than the .25 to 1 percent that many private financial advisors typically charge.

TSP accounts do not expire when letter carriers separate from federal service. Letter carriers can still change their investment mix while their account continues to accumulate earnings; they can even transfer IRAs or eligible employer plans such as 401(k)s into a TSP account.

The TSP has a mobile app, which allows letter carriers to monitor their TSP accounts and complete transactions from anywhere. Users can check their account balance, track fund performance, make transaction requests, submit documents, manage payment information, scan checks and more.

TSP also has a record-keeping system available on the TSP website that displays letter carriers' investments clearly, and that makes it easier for them to find and use account management tools.

In addition to investing in TSP funds, letter carriers who meet certain eligibility requirements have the option to invest some of their TSP savings

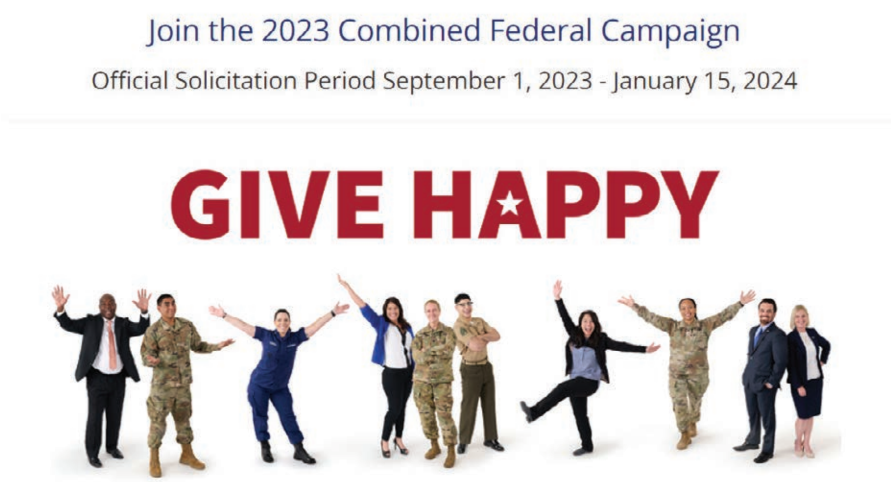
Plan for a lifetime with the TSP

in a mutual fund window. The mutual fund window is designed for TSP participants who are interested in greater investment flexibility. However, there are fees for these transactions.

Since enactment of the TSP Modernization Act in September 2019, letter carriers have gained a number of flexible withdrawal options when they leave federal service, such as multiple single withdrawals and the ability to change the frequency and the amount of installment payments at any time during the year. Explore these options and more in the booklet *Withdrawing from Your TSP Account for Separated and Beneficiary Participants*, available at tsp.gov.

Visit tsp.gov or call TSP-YOU-FRST (877-968-3778) to check out planning tools and calculators designed to assist with retirement decisions. PR

Still time to give through CFC



As reported last month, the open enrollment period for the Combined Federal Campaign (CFC) began on Sept. 1 and ends on Jan. 15, 2024. Since its inception in 1961, the CFC has raised nearly $8.7 billion for charities and people in need. Federal and postal employees participate in the CFC by choosing from a list of charities to support through automatic deductions from their paychecks.

"Every day on the job, letter carriers see what we can accomplish when we pull together," NALC President Brian L. Renfroe said. "CFC works the same way. By giving a little each pay period to charities you support, you can easily and effectively make the world a better place."

All active letter carriers can participate in the CFC through payroll deduction. Participants may use payroll deduction, credit or debit cards, or bank accounts to make recurring donations. They also may make a one-time donation using any of these methods except payroll deduction. Participants can even volunteer for the charity and count the value of the hours as money raised.

The easiest way to sign up is through the CFC Donor Pledging System at cfcgiving.opm.gov or through the CFC Giving smartphone app, available on the App Store and Google Play. Retired letter carriers may donate through a deduction from the annuity, by making a one-time or recurring donation using a credit or debit card, or through an automatic deduction from their bank account using the CFC Donor Pledging System.

Letter carriers can choose from among 2,000-plus nonprofit charitable organizations to support through CFC. By looking at the list and choosing a charity's CFC number, you can donate directly to one or more charities. You can search for charities at cfcgiving.opm.gov/offerings.

One charity that many carriers choose to support through CFC is the Muscular Dystrophy Association (MDA), NALC's official charity since 1952. MDA is the world's leading nonprofit health organization sponsoring research into the causes of, and effective treatments for, neuromuscular diseases. MDA research grants support research projects worldwide, as well as camps and activities for children who have any of these diseases. MDA's CFC number is 10561.

"There's no easier way to make a difference than through CFC," Renfroe said.

For more information, go to nalc.org/cfc. PR