

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

NOTICE REGARDING AUTOMATIC ENROLLMENT
IN THE THRIFT SAVINGS PLAN
(FERS EMPLOYEES)

Congratulations on your appointment with the Judiciary. Your new position is covered by the Federal Employees Retirement System (FERS), and as a result, you will be automatically enrolled in the Thrift Savings Plan (TSP). The TSP is a retirement savings and investment plan for Federal employees, similar to “401(k)” plans available to many private sector employees. The TSP exists to provide you an opportunity to participate in a long-term retirement savings and investment plan. The TSP is one of the three components of the FERS retirement program (the other two are your FERS Basic Benefit and your Social Security benefits).

Automatic Enrollment

The amount of your automatic contribution to the TSP each pay period is 5 percent of your basic pay. These contributions are deducted from your pay and are tax-deferred for Federal (and, in most cases, State) income tax purposes. In addition, the Judiciary will deposit Agency Matching Contributions equal to up to 5% of your pay. You will also receive an Agency Automatic Contribution equal to 1% of your basic pay. You can easily increase the amount of your contributions (while receiving more Agency Matching Contributions), making your retirement savings grow even faster.

Stopping Automatic Enrollment

If you do not wish to contribute to your TSP account, you can ask to stop the automatic enrollment process. To stop the automatic enrollment process before *any* contributions are deducted from your pay, please complete Form TSP-1 (TSP Election Form), and submit it as soon as possible during your first pay period of employment. If you stop your contributions, you are *not* eligible to receive Agency Matching Contributions, but you will still receive the 1 percent Agency Automatic Contribution each pay period. Depending on when you submit your TSP-1, it is possible that the Judiciary’s Staffing Services Branch may not be able to immediately stop your contributions before that first pay period is completed. If this happens, you can either leave the contribution in your TSP account or ask the TSP to return your contribution.

Employee Contributions

You may elect to increase, decrease, or stop your contributions to your TSP account at any time. You may specify a whole percentage of basic pay (for example, 5 percent or 10 percent) that you want to contribute each pay period, or you may specify a whole dollar amount (for example, \$100 or \$250). Whether you specify a percentage or a dollar amount of your pay, your total contributions for the year cannot be greater than the *elective deferral limit* for that year under the Internal Revenue Code. The limit for 2021 is \$19,500. Your contribution election will remain in effect until you make another election to change the amount of your contributions, or

to stop them. If you reach the elective deferral limit before the end of the year, the TSP cannot accept additional contributions, and as a result, you will not receive the Agency Matching Contributions for the remaining pay periods in that year. The TSP's web site (<http://www.tsp.gov>) has a calculator under the "Planning for Retirement" section to assist you in getting the most out of your employee and Agency Matching Contributions each year. Employees who wish to make changes to their TSP election can select from the following options:

1. Online- through the Judiciary Benefits Center's website at <https://judiciary.lifeatworkportal.com/login> by completing an electronic registration (PREFERRED METHOD);
2. Telephone- by calling the Judiciary Benefits Center at (877)207-3220
3. Paper- by completing Standard Form TSP-1 (Traditional and Roth Elections) or TSP-1-C (Catch-Up Elections). Provide the TSP-1 or TSP-1-C form to the HR Specialist Beth Mason for processing with the A.O.

Agency Contributions

Since you have been automatically enrolled in the TSP, the Judiciary will begin making Agency Matching Contributions to your TSP account as of your first pay period with us. Even if you stop contributing your own money, the Judiciary will continue to make Agency Automatic Contributions that will equal 1 percent of the basic pay you earn each pay period. If you are making your personal contributions, you will also begin receiving Agency Matching Contributions to your TSP account. The first 3 percent of pay that you contribute each pay period will be matched dollar for dollar. The next 2 percent of pay that you contribute will be matched at 50 cents for each dollar.

Catch-Up Contributions

If you are at least age 50, or will reach that age by the end of this year, *and if you plan to contribute the maximum \$19,500 to the TSP this year*, you may also make additional "catch-up contributions" over and above that limit. The TSP Catch-Up contribution limit for 2021 is \$6,500. This is a separate election that asks the Judiciary to deduct additional tax-deferred TSP contributions from your pay. To make catch-up contributions, complete Form TSP-1-C and return it to Beth Mason of the Clerk's Office. In making catch-up contributions, you must elect a whole dollar amount from your basic pay for each pay period.

Your catch-up contribution election will remain in effect either until you make another election (to change the amount of those contributions, or to stop them) or until the last pay date of the calendar year. You must make a new catch-up election each year if you want to continue these additional contributions.

Refund of Automatic Enrollment Contributions

You may request a refund of the employee contributions that were deducted from your pay during the first 90 days that you were automatically enrolled in the TSP. To do so, send Form TSP-25 (Automatic Enrollment Refund Request), which you will soon receive with your Welcome Letter from the TSP. Your completed Form TSP-25 must be returned to the TSP Service Office using the address on the form, and the TSP-25 must be received by the TSP *no*

later than the date provided in the TSP Welcome Letter. Please refer to the directions on both Form TSP-25 and the TSP Welcome Letter. If you were previously employed by the Federal Government and were automatically enrolled, you are *not* eligible for a refund of the automatic enrollment contributions for subsequent periods, unless 1 full calendar year (January through December) has passed since your last automatic enrollment contribution. For more details, visit the TSP web site at <http://www.tsp.gov>.

The amount of your refund will be your automatically-withheld personal contributions and any gains or losses from the investment of these contributions. The Agency Automatic Contributions (and their earnings) will remain in your TSP account. However, you would forfeit your Agency Matching Contributions (and their earnings) if you elect a refund of your personal contributions. Requesting a refund does *not* stop future contributions from being withheld from your pay — to do that, you need to complete Form TSP-1 and return it to or Beth Mason of the Clerk's Office.

Establishing Your TSP Account

Your TSP account will be established when the Judiciary submits your first contributions to the TSP. Once your account is established, the TSP will send you three separate mailings:

- The TSP Welcome Letter, which includes your TSP account number
- Your password for the TSP web site
- Your personal identification number (PIN) for the TSP ThriftLine.

Along with your Welcome Letter, you will receive the TSP's booklet, *Managing Your Account*, which provides valuable information on TSP investment options, making a contribution allocation, requesting an interfund transfer, and designating beneficiaries. If you already have an established TSP account from previous Federal service (and did not withdraw all of your money while you were away from the Government), you will receive only the Welcome Letter — you should continue to use the PIN and password originally mailed to you. If you have forgotten or misplaced them, use the TSP web site or ThriftLine to request new ones. If you withdrew your entire TSP balance during your separation, you will receive the Welcome Letter, a new PIN, and a new password. If you have (or have had) a TSP Uniformed Services account, your Federal civilian account is a *separate account*, and you will receive all of the above mailings.

Contribution Allocations

Your first contribution to the TSP will be invested in its Age Appropriate Lifecycle (L) Fund. After you receive your TSP Welcome Letter, you may invest your contributions in any (or any combination) of the 10 TSP Funds by requesting a contribution allocation. You cannot request a contribution allocation until your TSP account has been established. The directions for requesting a contribution allocation will be provided with your TSP Welcome Letter. And if you have an existing TSP account balance from previous Federal civilian service, your contributions will be invested according to the most recent directions you filed with the TSP.

Interfund Transfers

You can re-distribute your TSP account balance among any combination of the 10 TSP Funds by requesting an interfund transfer. You will not be able to request an interfund transfer

until your TSP account has been established. The directions for requesting an interfund transfer will be provided with your TSP Welcome Letter.

For More Information

To find additional information about the TSP, visit the TSP web site (<http://www.tsp.gov>). If you have any questions about your participation in the TSP, you may contact Beth Mason at 302-573-4539.