

**United States Department of the Interior
BUREAU OF LAND MANAGEMENT
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To: All BC, HR, ST, NI Employees and WO Field BIA Liaison Officer

From: Director, National Human Resources Management Center

Subject: Open Season - Thrift Savings Plan

DD: 07/31/2001

The next Thrift Savings Plan (TSP) open season begins May 15, 2001, and ends July 31, 2001. During this open season, as long as you are eligible, you may elect to begin contributing to the TSP, change the amount of your TSP contribution, or change the allocation of your contributions. The new TSP-1, Election Form, and TSP-50, Investment Allocation Form mentioned below are available on the table in the common area of the National Human Resources Management Center (NHRMC) Office, HR-220, Building 50. The TSP-1, Election Form, will also be available at (www.tsp.gov). but the TSP-50, Investment Allocation Form, is not.

Please note the following changes, which are being implemented with the May 15, 2001, Open Season:

Eligibility: Employees will be allowed to begin contributing to the TSP immediately upon appointment to a position covered by FERS or CSRS. Employees appointed to positions that are not covered by FERS or CSRS are not eligible to participate in the TSP. Essentially, all FERS or CSRS employees appointed before July 1, 2001, will have the opportunity to make a TSP contribution election during this open season. Employees appointed on or after July 1, 2001, will have 60 days from the effective date of their appointment to make a TSP contribution election.

Addition of Two New Investment Funds: There are now **five** investment funds. In addition to the three previous choices, the G, F, and C funds, the new "S" and "I" funds will be available for investment. The "S" fund is the Small Capitalization Stock Index Investment Fund and the "I" fund is the International Stock Index Investment Fund.

Increased Contribution Limits: Beginning with the May 2001 Open Season, the employee contribution limits for FERS and CSRS employees will increase by 1% each year for five years, as follows:

Year	FERS Limit	CSRS Limit
2001	11%	6%
2002	12%	7%
2003	13%	8%
2004	14%	9%
2005	15%	10%

In 2006, these contribution limits will be lifted entirely; however, the total amount that an employee may contribute to the TSP each year will continue to be capped by the Internal Revenue Service (IRS) elective deferral limit. The IRS has announced that the annual limit on elective deferrals for 2001 will remain \$10,500.

As in the past, only FERS employees are entitled to receive agency contributions. If you are a FERS employee, the agency makes two different types of contributions to your TSP account as part of your FERS benefits. First, the agency will automatically contribute to your TSP account an amount equal to 1 percent of your basic pay each pay period. This is your Agency Automatic (1%) Contribution. You will receive this contribution whether or not you contribute your own money to your TSP account. Second, if you are contributing to your TSP account, the agency also makes Agency Matching Contributions once you are eligible for them. Matching contributions apply to the first 5 percent of pay you contribute each pay period. Your contributions are matched dollar for dollar for the first 3 percent of pay you contribute each pay period and 50 cents on the dollar for the next 2 percent of pay.

How to Make a Contribution Election: The new TSP-1, Election Form (dated May 2001) will be used to start contributing to the TSP, change the amount of your contributions to the TSP, or to stop making contributions to the TSP. On or after May 15, and before close of business July 31, 2001, submit your completed new TSP-1, Election Form to NHRMC, HR-220. Forms submitted prior to the beginning date of May 15, 2001 will not be accepted.

You can also submit an open season change electronically by utilizing *Employee Express* on any touch tone phone by dialing 1-800-827-6254. REMINDER: Your Employee Express PIN is not the same as your TSP PIN. Make sure you are using the correct PIN when accessing your account. Only one method can be used to accomplish a TSP Open Season election; either submitting a Form TSP-1 or using Employee Express.

How to Make an Investment Election: The TSP-50, Investment Allocation, is also used for allocating contributions to the investment fund of your choice and must be completed if you are contributing to the TSP for the first time. If you do not want to make a change to your current

allocation of contributions, you do not need to complete the form. This form should be mailed directly to the TSP Service Office at the National Finance Center in New Orleans. Requests are generally effective no later than 2 business days after being received at the Finance Center in New Orleans. A faster, more efficient method would be to use the www.tsp.gov website or call the TSP Thriftline at (504) 255-8777. The website and the Thriftline both require your TSP PIN to access your account to make the allocation.

New Method to Perform Interfund Transfers: Beginning May 1, 2001, employees must use form TSP-50, Investment Allocation, to accomplish an interfund transfer. The TSP-50 replaces the TSP-30 form, which was previously used. If you choose to use form TSP-50, it should be mailed to the TSP Service Office for processing. The address is on the form. However, employees are encouraged to use the more efficient electronic media (i.e., the TSP web site at www.tsp.gov or the Thriftline at 504-255-8777) to request investment changes.

When Elections Become Effective: If your election is received before June 30, 2001, it will become effective July 1, 2001. If your election is received after this date, it will be effective on the first day of the first full pay period after it has been accepted. All elections (TSP-1 forms) must be submitted to HR-220 to arrive no later than close of business July 31, 2001.

Current information concerning the Thrift Savings Plan may be found on web site www.tsp.gov. If you have questions about the Thrift Savings Plan, please contact Lenna Gerwing at (303) 236-6667.

Signed by:
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Director, NHRMC

Authenticated by:
Luron Porter
Secretary

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