



Office of Financial Readiness Training Standards

CATEGORY

- Saving and Investing

TERMINAL LEARNING OBJECTIVE

- Understand and be able to manage a Thrift Savings Plan (TSP) account.

TOUCHPOINT(S)

- First duty station: TP 2
 - Promotion: TP 4
 - Vesting in TSP: TP 5
 - Pre- and post-deployment: TP 9
 - Transition: TP 10
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Enabling learning objectives

- Identify detailed topics that will be included under the terminal learning objective:
 - a. Know how to adjust TSP contributions. (TP 2)
 - b. Understand the investment choices offered in the TSP. (TP 2)
 - c. Understand how an increase in pay affects TSP contributions. (TP 4)
 - d. Know how to manage and update TSP account. (TP 5)
 - e. Be able to update beneficiaries for TSP. (TP 5)
 - f. Be able to review TSP contributions and weigh against additional financial considerations. (TP 5)
 - g. Understand combat zone tax exclusion (CZTE) eligibility and TSP implications. (TP 9)
 - h. Know the TSP rollover options. (TP 10)
 - i. Be able to plan for TSP death benefits. (TP 10)
 - j. Understand how to take a distribution from TSP funds, if necessary, to afford payments for life events. (TP 10)



- k. Understand the tax implications of and penalties for TSP distributions, to include early distribution. (TP 10)

Audience

- Identify who the target audience is for this terminal learning objective:
 - a. Service members at varying points in their careers
 - b. Military spouses
 - c. Military leaders at all levels

General prerequisites

- Briefly summarize the general prerequisites (if any) for this topic that will aid the service member in better understanding the content. If no prerequisites exist, state N/A.
 - a. N/A
- The audience will be more prepared to understand and use the information taught in this TLO if they also received training on the following TLOs:
 - a. Recognize the importance of personal financial management and the resources available.
 - b. Understand the fundamentals of banking services and fees.
 - c. Understand the fundamentals of income tax and common tax benefits, and potential changes to tax situation.
 - d. Comprehend the components of Service member’s military retirement system and the importance of preparing for retirement.
 - e. Examine the impact of special pay and entitlements.
 - f. Discuss survivor and dependent benefits.
 - g. Understand interest and how the concept of compounding works.
 - h. Describe the fundamentals of investing.

Acronyms and abbreviations

- Provide a list of acronyms and/or abbreviations used for this topic and define each.

Acronym/Abbreviation	Full Name	Definition
TSP	Thrift Savings Plan	The Thrift Savings Plan is a retirement savings and investment plan for federal employees and members of the Uniformed Services, including the Ready Reserve.



CZTE	Combat zone tax exclusion	Earnings received while in the combat zone are excluded from taxable income.
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Call to action

- Identify which actions or demonstrated skills may result from acquiring knowledge on this topic:
 - a. Seek additional guidance with managing TSP account.
 - b. Maximize TSP investment options to reach financial goals.
 - c. Manage account and keep beneficiary and other key personal information current.
 - d. Know and plan for CZTE eligibility and benefits.
 - e. Know when and how to take a distribution or roll over funds.
 - f. Plan for TSP death benefits.
 - g. Understand and plan for any tax implications to include penalties for early withdrawal.

Metrics/evaluation

- Identify any metrics that may be used to measure the effectiveness and impact of the TLO.
 - a. **Strategic metrics** - Service members who achieve mastery of all ELOs associated with this TLO will display the following identifiers:
 1. No unresolved issues with management or use of TSP account
 2. No problems with outdated beneficiaries or other information
 3. No issues with requesting a distribution, rolling over funds or other needs
 4. Financial wellness reflects careful consideration to impact of TSP account on overall financial plan and goals
 5. No issues with planning for tax implications, death benefits, etc.
 - b. **Tactical metrics** - Creators of individual products may develop metrics to measure effectiveness of delivery method, as needed.

Resources/references

- Identify/list resources that support the TLO (e.g., Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB), U.S. Securities and Exchange Commission (SEC) sources):
 - a. Office of Financial Readiness (FINRED) (<https://finred.usalearning.gov>)
 - b. Thrift Savings Plan (TSP) (<https://www.tsp.gov>)



- c. U.S. Securities and Exchange Commission (SEC) (<https://www.investor.gov>)
- d. Compound Interest Calculator (<https://www.investor.gov/additional-resources/free-financial-planning-tools/compound-interest-calculator>)
- e. Internal Revenue Service (IRS) (<https://www.irs.gov>, <https://www.irs.gov/newsroom/combat-zones>)
- f. Military Compensation (<https://militarypay.defense.gov/Benefits/Thrift-Savings-Plan>, <https://militarypay.defense.gov/Pay/Tax-Information/CZTE>)



Drafted by/date

Approved by/date

UP/CHANGE DATE	REVIEWER	APPROVER