



VESTING IN THE THRIFT SAVINGS PLAN

MY CHECKLIST

NAVY FINANCIAL READINESS

HANDOUTS

- ✓ Basic Investing
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Spending Plan Worksheet

Congratulations on completing two years of service in the Navy! This anniversary marks an important milestone in your military career and Thrift Savings Plan (TSP). Under the Blended Retirement System (BRS), eligible Sailors who complete two years of service become vested in the TSP.



VESTING AND THE BLENDED RETIREMENT SYSTEM (BRS)

- Understand what vesting means.
 - Vesting in the Thrift Savings Plan (TSP) means you have met the service requirement that entitles you to keep automatic and matching contributions. When you separate or retire from the Navy, you can keep the money the military has added or "matched" to your TSP account. It's important to note, you are always vested in your own contributions and earnings.
 - There are two different scenarios when vesting begins based on when you joined the military:
 - 1) If you were serving as of December 31, 2017, and opted into the BRS, then you became eligible for an automatic contribution of 1% and matching contributions up to 4% of basic pay in your TSP. You are already vested in service matching contributions but are required to complete two years of service to vest in the automatic 1% contributions.
 - 2) If you joined the service on or after January 1, 2018, then you are automatically enrolled in BRS. You will begin receiving an automatic 1% government contribution 60 days after entering service and will begin receiving matching contributions up to 4% of basic pay after completing two years of service. You will become vested in both automatic and matching contributions after completing two years of service.
- Understand the importance of preparing for retirement. Review the "Basic Investing" handout.
- Understand the components of the Blended Retirement System. Review the "Military Retirement" handout.
 - The Blended Retirement System (BRS) is a modernized retirement plan that went into effect for all new Service members on January 1, 2018.
 - Components of the BRS include a defined contribution (consisting of government automatic and matching contributions to a Service member's TSP), a defined benefit (also known as a pension) after at least 20 years of service, a midcareer incentive called Continuation Pay, and a lump-sum option at retirement.



Defined Contribution Thrift Savings Plan (TSP)

| You Contribute | DoD Automatic Contribution (Traditional) | DoD Matching Contribution (Traditional) | Total |
|----------------|--|---|-------|
| 0% | 1% | 0% | 1% |
| 1% | 1% | 1% | 3% |
| 2% | 1% | 2% | 5% |
| 3% | 1% | 3% | 7% |
| 4% | 1% | 3.5% | 8.5% |
| 5% | 1% | 4% | 10% |



UNDERSTANDING THE TSP

- Understand the Thrift Savings Plan. Review the "Thrift Savings Plan" handout.
 - The Thrift Savings Plan (TSP) is a retirement saving plan open to federal employees and members of the uniformed services. Similar to a civilian 401(k), the TSP offers the opportunity for Sailors to save and invest for retirement.
 - Under the BRS, you may receive up to 4% in Service Matching Contributions, on top of the Service Automatic 1% Contribution into your defined contribution plan or TSP account. Note: The automatic and matching contributions are deposited into the traditional TSP.
 - Automatic and matching contributions continue through the end of the pay period until you reach 26 years of service.
- Evaluate your retirement goals and visit [TSP.gov](https://www.tsp.gov) to learn about annual contribution limits* and investment choices.

**The elective deferral limit is \$19,500 in 2020 for those under the age of 50. Limits may be higher in certain situations.*
- Use the "Spending Plan Worksheet" to analyze your spending plan. When creating your spending plan, consider budgeting at least 5% of basic pay to contribute to your TSP. By contributing 5% out of your pocket, you take full advantage of government matching contributions to boost your retirement savings to 10% of your basic pay.
- Decide between Traditional or Roth contributions in your TSP account.
- Review the investment fund options listed on the "Thrift Savings Plan" handout to determine which fund(s) work for your objectives, risk tolerance and time horizon.

Additional notes: _____



MANAGING YOUR TSP

- Visit myPay at mypaydfas.mil to start, stop or change the contribution amounts to your TSP. Verify and update your address in myPay as well, if applicable.

- Log onto your TSP account at [TSP.gov](https://www.tsp.gov) to manage your current and future investment choices.

Note: You will need your account number to log onto the website. If you have misplaced or lost your account number, visit [tsp.gov/tsp/forgottenAccount.html](https://www.tsp.gov/tsp/forgottenAccount.html) to request the account number be mailed to you. Verify your address in myPay first and pay attention to the effective date.

- Review and update beneficiaries for your TSP account, if applicable.
- Update contact information for your TSP account, if applicable.

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature *Date*

Signature *Date*