

TAG: Are you comfortable with how your funds are allocated in your Thrift Savings Plan (TSP) account? You shouldn't wait until you are ready to retire to begin financial planning for your future.

Article:

THRIFT SAVINGS PLAN
INVESTMENTS

Basic TSP information is provided in the Federal Retirement Thrift Investment Board's booklet, [SUMMARY OF THE THRIFT SAVINGS PLAN FOR FEDERAL EMPLOYEES](http://www.tsp.gov/forms/tspbk08.pdf) (<http://www.tsp.gov/forms/tspbk08.pdf>)

This guide has not been updated with new information about TSP Catch-Up contributions, the new record keeping system, new loan procedures, and other important changes to the program. However, a separate fact sheet describing the Catch-Up benefit will be on the [TSP web site](http://www.tsp.gov/) (<http://www.tsp.gov/>)

The summary booklet provides information about how much you can contribute to your account, will the government provide matching contributions, projecting future account balances, and investment options. Soon it will explain who is eligible for Catch-Up contributions and the limits that apply.

For information about things you should consider when developing an investment approach to your TSP account, you should also check the [GUIDE TO TSP INVESTMENTS](http://www.tsp.gov/forms/tspbk03.pdf) (<http://www.tsp.gov/forms/tspbk03.pdf>)

The Guide to TSP Investments provides information to help you in identifying your investment objectives, considering how much time you have before you will withdraw your TSP account and how it factors into your overall strategy, understanding the level of risk with which you are comfortable, diversifying your account, managing risk, and much more information.

The word "risk" is a recurring theme whenever investments are discussed. Because any investment opportunity, including TSP, contains an element of risk, some employees are not comfortable with deciding on their own how to allocate funds within the various TSP options that are available.

Neither your personnel office nor the TSP offers you financial counseling or assistance in deciding how to allocate the funds in your TSP account. Since TSP is a major part of both FERS and CSRS retirement, some employees deem it important to seek advice from professionals to guide them in making their financial planning decisions. These professionals are called Certified Financial Planners (CFP). We do not endorse specific providers of financial planning services and do not imply that you should not decide for yourself how you will allocate funds in your TSP account. This is simply to let you know that the services exist.

WHAT THEY DO: A CFP will ask you to gather lots of personal financial information about you and your family's net worth. They will also ask you to think about retirement goals, travel plans, educational goals, protecting your family in case you or your spouse pass away, long term care plans, disability insurance requirements, and other types of information that could impact the financial health of your family. Both spouses should participate in gathering the information, establishing goals, identifying future requirements, and participating in meetings to discuss the recommendations.

HOW TO FIND THEM: You may locate providers of these services by going on line with a search for "Certified Financial Planners" or check your local yellow pages. Another resource may be the [Financial Planners Association](http://www.fpanet.org/) a non-profit organization that refers you to CFPs in your area.

WHAT DOES IT COST: Be sure to inquire about how you are expected to pay for these services. Many do not charge for the initial consultation and charge only when you invest through them or use their other services. Others might charge a set fee or an hourly rate.