



# *West Virginia National Guard Human Resources Office Bulletin*



**Bulletin Number:** 12-03

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**Applicability:** National Guard (NG) Technicians; AGRs; FTNGD-OS;  
Traditional Air and Army National Guard Members

## **Thrift Savings Plan Roth Option Now Available**

**Subject:** Implementation of the new Thrift Savings Plan (TSP) Roth Investment Component

**References:** Thrift Savings Plan Enactment of 2009

**Effective Date:** July 2012 –Federal Civilian Employees (including NG Technicians) and AGR's  
Mid to Late 2013 – All other traditional Soldiers and Airmen

**Use:** The use of this bulletin is to provide basic information on the new TSP Roth including key features, plan terms, and enrollment information.

**Overview:** A new choice for retirement investment planning, Roth TSP, is now available to Federal Civilian Employees, AGR's, and traditional Soldiers and Airmen. The Roth feature will combine all the benefits of TSP retirement savings with the after-tax benefits of a Roth savings plan. The Roth TSP allows employees the option to contribute after-tax wages into their TSP accounts. Both the Roth TSP contributions and the associated earnings will remain tax free when withdrawn if certain rules are met as described below.

### **Key Features and Terms:**

**Tax Free Withdrawal:** The Roth TSP allows employees the option to contribute after-tax wages into their TSP accounts. Roth contributions and associated earnings may be withdrawn without penalty after retiring upon age 59 ½, and if Roth contributions have been made for a minimum of 5 years as of January 1<sup>st</sup> of the year elections began.

**One Account Balance:** Electing Roth contributions does not create an additional TSP account, but rather creates an after tax Roth balance within the existing traditional TSP account.

**Pro-Rata Rule:** Withdrawals or dispersals from the TSP account will be done proportionally from both the traditional and Roth balances. This applies to loans, withdrawals, court-ordered payments, taxable distributions, required minimum distributions, and death benefit payments.

**Enrollment/Election Information:**

Federal Civilian Employees: Roth contributions may be elected through the Army Benefits Center-Civilian at 1-877-276-9287, or through the Employee Benefits Information System Portal at [abc.army.mil](http://abc.army.mil).

Army /Air Force AGR's and Traditional Service Members: Once available, a Roth TSP contribution can be elected online through My Pay, under the TSP option.

**Is Roth Right For You?** The decision to contribute to the Roth as a part of an overall TSP investment strategy is dependent upon each person's income and expectations upon retirement. For example, a young employee in a lower salary bracket may benefit more by paying taxes now on Roth contributions, benefiting from tax free withdrawal at retirement when salary is potentially higher. Mid-Career and end career employees may not see the same benefit, and may prefer a smaller or nonexistent Roth contribution. The following informational links are available to assist in those decisions:

**Resources:**

Is Roth for you (PDF): <https://www.tsp.gov/PDF/formspubs/high12a.pdf>

Your Roth Questions Answered (PDF): <https://www.tsp.gov/PDF/formspubs/high12b.pdf>

**Points of contact are the Technician Retirements Specialist at (304) 561-6429, and the Technician Employee Relations Specialist at (304) 561-6431**



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