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Together We Aspire—
Together We Achieve

\$\$ Money Talks \$\$

Financial Planning Services

The U.S. Fish and Wildlife Service (Service) offer employees an reimbursement program to help them with financial planning. The objective of this program is to help employees plan for their retirement. This program allows reimbursement of 50 percent of the fees charged by a certified financial planner, up to a maximum of \$200. You can take advantage of this opportunity every three years or, if you are within 12 months of retiring or voluntarily separating from the Service, you may seek reimbursement regardless of whether or not three years have passed since the last reimbursement.

For more information, including specific rules and eligibility, please refer to the Financial Planning Services manual chapter at <http://www.fws.gov/policy/228fw4.pdf>.

Look Before You Leap! Perspectives on Borrowing from Your TSP Account

Words of wisdom about your retirement investment from Gregory T. Long, Executive Director, Federal Retirement Thrift Investment.

I would like to explain why I found it necessary to issue such a caution to our participants. Earlier this year, I stepped out of the Board's office in downtown Washington and saw a bus stop billboard urging Federal employees to transfer their "old" TSP accounts to the advertising sponsor's IRA. Shortly thereafter, a second advertising campaign, similarly targeted, told readers that their TSP accounts would

"retire." I'm here today to advise that after 21 years, the TSP is still young and vigorous. It isn't getting old. And, it does not intend to retire. Thanks to the wisdom of Congressional authors, it will continue to follow the timeless principle of tracking broad market performance while adding value for participants via very low administrative expenses. And our participants recognize the value of the TSP. Last year, we accepted more than 20,700 checks totaling over \$478 million in funds being rolled over into the TSP from private sector 401(k) and IRA accounts. Separated participants may leave their funds on account if they wish. Nearly one million separated employees have chosen to do so. Those participants who would like to transfer their retirement savings from the TSP to an IRA are welcome to do so. But no one should move their funds from the TSP out of a concern that the TSP is old or retired. All of our communications efforts encourage informed decision making. "Look before you leap!" gives our participants the information they need to resist the lure of misinformed advertisers and to make an informed decision.

It's Smart to Stay in for the Long Haul TSP Highlights from October 2008

There are some days when the stock or bond market's performance makes you want to cry. Crying is okay — you have lots of company. But abandoning a sound strategy to save for your retirement is not! Impulsively jumping out of the F, C, S, I, or L Funds when markets fall can undermine your carefully planned retirement goals. And this is particularly true of the L Funds, where their diversification provides

a hedge against unpredictable markets. The best overall approach to saving for retirement is to start early and establish a diversified investment strategy appropriate for your tolerance for risk and the amount of time you have before you need to withdraw your funds. Then stick with that strategy. Whether you manage your account yourself or let the L Funds do it for you, forsaking your long-term plan mid-stream may throw you off course — and ultimately cost you retirement dollars. Here are three reasons not to bail out: First of all, historically, the stock and bond markets have always rebounded over time. So if you keep your money in the market, it will eventually recover and continue to grow. But if you jump out of the stock or bond funds into the G Fund, you lock in your losses — and you aren't poised to reap the rewards when waning markets go back up. If you feel you're too close to retirement to "lose all this money," before you leap, reassess your strategy. Was your investment mix too aggressive to begin with? (Take a look at the L Funds for a sanity check — their allocations are posted on the TSP Web site.) And when do you think you'll really need the money from your TSP account? It's possible you have more time left than you think — particularly if you plan to take monthly payments from your account. Then, there are advantages to a down market — all those shares you're buying are virtually on sale. And that is the second reason to stay the course. If you keep contributing, your contributions will buy more shares in the TSP funds when markets are low. Later, when share prices eventually increase, your shares (and your account balance)

will be worth more. So instead of crying, you may want to smile. Finally, if you are tempted to jump to the G Fund with the intention of jumping back into the more volatile funds when the markets go back up again, that's "market timing," which even the professionals say is impossible to do with assurance. Instead, keep in mind the third reason not to bail out (or even worse, stop contributing): the staid, but effective approach of "dollar cost averaging." When you invest fixed amounts in specific investments at regular intervals, as you do when you contribute to the F, C, S, I, and L Funds (but not the G Fund), your money buys more shares when prices are lower and fewer shares when prices are

high. Over time, the average cost of your shares should be lower than it would be if you tried to time the markets. The bottom line: a lower average cost translates to your reaping more gains. And to get that advantage from dollar cost averaging, you need to stay in the markets, regardless of their highs and lows. Of course, if you're very close to retirement and plan to withdraw all your money right away, you need to be more conservative. But if you're younger, you have the luxury of time. The younger you are, the more aggressive you can be (within reason) because you'll have the opportunity to ride out the markets, taking advantage of their ups and downs. One final note: If you aren't certain that

your investment strategy is right for you, now's the time to act. Check out the L Funds — they're professionally designed for participants who don't have the time, experience, or desire to manage their own investment strategies. Even in this down market, their automatic rebalancing to their assigned investment mixes takes advantage of market movements. Alternatively, check with a financial planner or do your own homework. The most important step you can take is to make sure your investment strategy is the right one for you. After all, if you're staying in for the long haul, you want to be sure you're heading in the right direction!