

# NCBC Impact

Dedicated to the professional development of its members

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We offer an information rich IMPACT this month. With the Conference only two months away, there's lots of news.

Although I encourage you to thoroughly read every article, the *Board Elections* and the *Awards Nominations* articles have some deadlines coming up, so be sure to read those soon!

The rumors of adding an NCBC radio show are true! The very first *IMPACT On The Air* premieres in this edition. This audio feed can be downloaded to your iPod if you're on the run!

Enjoy all the great articles brought to you this month.

Thanks-

Sandy

Edition 06-04

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## President's Message

by *Barry Lander*



### A Most Exciting Time

Last issue, I wrote about the appointment of Mr. James Duff as the new Director of the Administrative Office. In a few short days, Mr. Duff takes over for Leonidas Ralph Mecham and change is in the air. What this means for the Bankruptcy Courts and staffs, time will tell. What I *can* say is that Mr. Duff

responded to my congratulatory letter and invitation to join us in Newport to address the Bankruptcy Courts at this critical time. His response was warm and he asked for a little time to get his feet on the ground before committing to speak. I share his email response:

“Thank you very much for your gracious note and invitation. I would like to attend your conference but would like to wait to firm up the arrangement until I start in the new position on July 1st. I don't have a feel yet for what my schedule will be like at that time but I know we will be preparing for the Judicial Conference in September. If you wouldn't mind waiting until I get a better sense of my obligations at that time, I will certainly try to attend.

Thank you again. Jim Duff”

We hope he will be able to join us in Newport. We think this is critically important given the uncertainties everyone is feeling as we approach a new fiscal year. I will be in touch with Mr. Duff after he settles in.

Speaking of new and exciting things – you'll notice some new features in this month's IMPACT. First, there is a column from the Bankruptcy Judges Division. Next, you'll notice that attached to this issue is a link to our first podcast – *IMPACT ON THE AIR*. Over the next several months, we'll be bringing you “radio” broadcasts for your computer or MP3 player that include interviews and stories of importance to Bankruptcy Court employees. This month, we visit with Marla Hamilton to check in with recovery efforts in New Orleans (we plan two more segments to include other Gulf Coast courts still working on getting back to “normal”); we spend some time with Celia Strickler and Susan Thurston to get an update on Newport Conference plans; we begin our NCBC election coverage; and offer a little background and trivia about Rhode Island, the ‘Ocean State’. We hope you enjoy this new feature and ask you to give it a listen and provide us some feedback. We

have three more shows already in production so you can expect to see these updated fairly frequently.

Finally, I am leaving office in August at the end of the conference. My Boards and Officers have worked hard to improve the NCBC and balance our roles as advocates and a source for education and training. In this issue we outline some By-Law changes that afford some additional opportunities for involvement in the NCBC. We are seeking nominees for the President-Elect who will follow Ken Gardner in two years, as well as a new Treasurer, two Board Members and an Historian. Think about it – this is your chance to nominate someone you think would be good at joining the leadership of NCBC. Looking through my magic mirror – I see.....

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## NCBC Restructures

### *By-Laws Change to Improve Operation*

Over the past year, the NCBC Officers and Board of Governors have been examining the conference operations and have come to the conclusion that there was a need for change. (Besides – we're Bankruptcy Courts and when is there not change?) President Barry Lander appointed a By-Laws Committee to review and "scrub" the By-Laws looking to eliminate areas that either didn't make sense or needed to change with the growth of the organization. With the Board's approval, the following changes are being adopted.

We're adding two new positions to assist in the operation of the NCBC - a Historian and a Business Manager. Why, you may ask? Let's first address the Historian. Simply, we need to document our history. Our Annual Conferences, the changing nature of the Bankruptcy Process and perhaps, just as importantly, we need to capture the history of our members (Clerks and Deputy Clerks) who have served the nation under the Bankruptcy Act of 1898, the Code of 1978 and BAPCPA of 2005. There are a lot of retirements happening and we will lose considerable institutional memory over the next few years. The NCBC is committed to capturing some of this history and the Board intends to appoint the first NCBC Historian. Elsewhere in this issue of the Impact, you'll find information on how to express your interest in becoming the first NCBC Historian. Although this will begin as an appointed position, the Board will be considering moving this to an elected position over time.

If the first new position is about the change – the Business Manager is about growth. The responsibility for all financial matters of the NCBC currently falls on the Treasurer. Over the past several years the volume of work associated with this position has grown as the conference has grown. Think of this year's Newport Conference with over 300 expected attendees – that is a lot of accounting for any "volunteer." With this growth comes increased recognition of the need for, dare I say it, improved internal controls! These By-Law changes create a division of labor not unlike what you see in the Clerk's Office between Cashiers and Financial Administrators. We think this will improve the operations of the NCBC, and as a side benefit, create a more attractive Treasurer's position with the adjusted workload. It is the intention of the Board to appoint Celia Strickler as the first Business Manager. Celia will be retiring this November after having an additional career as our Treasurer. The details of the work associated with both of these positions can be

found in the [revised By-Laws](#).

Finally, the By-Laws Committee made a few additional changes that are contained in the revised text including elimination of the “member resignation” section; adding email as an option for conducting “business” of the Conference; allowing for two consecutive terms (assuming re-election) of a Board member; and adjusting time frames for the Annual Dues portion of the By-Laws.

The Committee expects to continue its clean-up next year and to look for ways to expand opportunities for membership involvement in the NCBC.

Thanks go to Chair Patty De La Garza, Jerry Truitt, Wayne Wolfe, Vito Genna and Ken Gardner for their hard work on the By-Laws Committee.

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## 2006 NCBC Elections

The NCBC Board is seeking nominations for the following positions on the NCBC Board of Governors for the term 2006 - 2008.

*President Elect*

*Treasurer*

*Board Members - There are 2 Board member positions open*

Anyone desiring to submit a nomination or declare your candidacy for any of these four (4) positions should contact **Ken Hirz**, Chair of the nominations committee, at [Ken\\_Hirz@ohnb.uscourts.gov](mailto:Ken_Hirz@ohnb.uscourts.gov) on or before **July 7, 2006**. Voting by the membership on the candidates will take place in July 2006.

In addition to the above positions, the Board has established two other non-Board positions: 1) Historian and 2) Business Manager.

A description of the duties assigned to these positions can be found in the Bylaws at Section 7.4 and 7.5. Anyone interested in applying for these positions should submit your information to **Barry Lander** at: [Barry\\_Lander@casb.uscourts.gov](mailto:Barry_Lander@casb.uscourts.gov)

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## Awards Nominations

A pat on the back is a nice thing to get once in a while. It is time once again to bestow recognition on those who have done the most for the NCBC and the Bankruptcy Courts. The NCBC will be honoring several individuals and groups at the Newport Conference. We need your nominations so the awards reflect the best efforts toward achieving the mission of the Bankruptcy Courts.

Your nominations are sought for the following awards:

### **Outstanding Service Award:**

Represents service provided to NCBC and/or the courts that goes beyond a single task or assignment. Usually presented for longer term efforts.

### **Outstanding Achievement Award:**

You could say that this award is the next level up from the outstanding service award; It represents an achievement by an individual or group that resulted in savings or changes (for the better) for the court system as a whole.

### **Special Service Award:**

Represents service performed that is more limited in nature; this award tends to recognize one time efforts or assignments on behalf of the NCBC or the courts.

### **Administrative Excellence Award:**

An award for accomplishments that are more administrative in nature.

Milton Aguila of the Southern District of New York is serving as Chair of the Awards Committee and he will accept your nominations until Monday, July 10. You can send him an email nomination or fax him at (845) 452-8375. Please identify:

- the nominee's name,
- the award you believe they qualify for,
- and the reasons for the nominations.

Milton will be joined by a committee that includes Karen Eddy of the Southern District of Florida, Therese Buthod of the Eastern District of Oklahoma, Norman Meyer of the District of New Mexico, Bernie McCarthy of the District of Montana and Adrienne Atkins of the Northern District of Illinois.

A list of past "winners" can be found at [http://www.ncbcimpact.org/hall\\_of\\_fame.html](http://www.ncbcimpact.org/hall_of_fame.html)

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## Conference Update

The [website](#) for the 2006 NCBC Conference is up and running! This is by far the best place to find all the details.

If you haven't registered yet, do it now!

### Registration Info

If you have registered and need to make changes to your schedule, just send an email to:

[ncbc2006@meb.uscourts.gov](mailto:ncbc2006@meb.uscourts.gov)

Be sure to explain exactly what you need changed. Once the changes are made, you will receive an email confirm your new schedule.

If you haven't registered for the conference yet, do so by July 10th before the fees go up to \$275

### Discovery Cove

The 2006 NCBC Conference Education Committee needs your help! This year we are including an information sharing fair, known as Discovery Cove. The purpose of this event is to allow you to explore process improvements other courts have developed. Set up as a 'vendor fair,' conference participants will have a very rare opportunity to visit different courts via Discovery Cove to learn about tips, techniques, and enhancements - all designed to make your jobs easier.

We are hopeful that each function of our court will be represented in the Cove. Perhaps a court has a dynamic new employee orientation program. Maybe another court has tips to share regarding digit-less case administration or court travel. The possibilities are seemingly endless.

So, what has your court developed? Perhaps you've written a job aid, created a template, developed a web site or tweaked a system. Plan to join us in Discovery Cove for a fantastic information sharing experience.

For more information on the information sharing fair and to register your court to participate, please click on the link below. The information about Discovery Cove is located on the right side of the screen.

<http://www.ncbcimpact.org/2006/newport/>

### Conference Souvenirs

Be sure and check out the great conference souvenirs. Get your orders in now!



Visors \$6



Beach Towels \$20 30"x60"

To order, send a check to:

Celia Strickler, NCBC Treasurer  
537 Congress St  
Portland, ME 04101

Indicate your color preferences for the beach towel.

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## NCBC launches ***IMPACT On The Air***

Barry Lander and Patrick Breen are your hosts for *IMPACT On The Air* with some special guests from around the Bankruptcy Court community. It's a new way to supplement written articles in the *IMPACT*, bring you new topics and interviews or just have some fun. This episode offers a visit with Marla Hamilton updating us on life for the court in New Orleans, we speak with Celia Strickler and Susan Thurston about the Newport Conference, you'll be updated from NCBC Election Central, and we offer some trivia about the Ocean State.

*IMPACT On The Air* is produced as a podcast. For those new to the podcasting world, a podcast is an audio broadcast similar to a news or entertainment radio show. Podcasts can be listened to on your computer or downloaded to a personal audio players such as an iPod.

All episodes can be listened to right from this page by clicking on the link below. The podcast will start in the appropriate player. You can also choose to download the file for later listening to or to move it to your mp3 player.

*IMPACT On The Air* Episode 1 - mp3 file for Windows Media Player (14 mg file)

*IMPACT On The Air* Episode 1 - mp4 file for iTunes or Quicktime (6 mg file)

**We want your feedback!** Please let us know what you think of *IMPACT On The Air* and what you'd like to hear in future episodes. Email can be sent to [onthair@ncbcimpact.org](mailto:onthair@ncbcimpact.org)

Bandwidth on the DCN is a precious commodity. The NCBC On The Air files are similar in size to other files on the JNET. That said, NCBC recommends that you download and listen to these at home or on a portable player.

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## Court Snapshot by Kathy Grzybowski



An upcoming 400th anniversary; not one, but *two* Director's Awards; southern hospitality; and an Elvis sighting are a small sampling of the intriguing topics relating to the **Eastern District of Virginia Bankruptcy Court**.

I recently had the pleasure of talking with VAEB Clerk, Bill Redden and his Chief Deputy, Dick Napoli to learn about this fascinating court and also to explore the rich history nestled in that part of the country. Did you know that Jamestown, which was the first permanent English settlement in North America, the Revolutionary War and Civil War eras, and much more have their roots deeply entrenched in what is now the Eastern District of Virginia?

Within this district are four staffed divisions located in the cities of Alexandria, Norfolk, Newport News, and Richmond. First established in 1749, Alexandria is located just across the Potomac River from Washington, D.C. Bill noted, "The harrowing experience of 9-11, which struck the Pentagon, occurred just six miles from the Martin V. B. Bostetter, Jr. U.S. Courthouse." The city of Norfolk has several military installations including a major naval base and naval air station. Newport News contains a significant nuclear powered aircraft carrier and submarine shipbuilding complex. The city of Richmond served as the Confederacy's capital and remains the capital of the Commonwealth of Virginia. Built in 1858, the Lewis F. Powell, Jr. U.S. Courthouse in Richmond originally served as a government building housing the Confederate Treasury and State departments.

Virginia Eastern's Bankruptcy Clerk's staff is comprised of 78 employees. The court has five judges with a sixth judgeship recently authorized under the BAPCPA. The U. S. Court of Appeals for the Fourth Circuit has filled that position. The court expects the new judge to be on board before the end of this fiscal year. Chambers staff includes eleven judicial assistants and law clerks.

Dick noted that the court was one of five prototype bankruptcy ECF courts. The court took an early proactive approach to CM/ECF. This included the Bankruptcy

Clerk's staff not having to maintain hard case files in ECF cases. During the first 16 days of October 2005, over 9,200 new cases were filed. By contrast, only 2,213 such cases were filed in the district during the entire month of October 2004. Bill stated, "The great work performed exceptionally well by everyone in the clerk's office and chambers – together with ECF doing all that it was called upon to do – won well deserved praise and appreciation from the Bar and allowed the court, under extraordinary circumstances, to fulfill its service commitment to the public."

This court not only provides exceptional service to the public and the Bar, it also provides support to many courts and offices in the federal judiciary through sharing various automated applications including FinSys and ELMR, which were created in the Eastern Virginia Bankruptcy Court. Barry Wells, for FinSys, and Fred Arters, for ELMR, both received Director's Awards for their outstanding accomplishments in the development of these respective applications. Bill explained that a Windows-based version of FinSys, known as WinFinSys, is underway. You are welcome to visit the court's FinSys Home Page, under "What's New," at <http://www.vaeb.circ4.dcn/finsys/new/home.html> for additional information and updates on this major project.

Community outreach is another example of how Virginia Eastern exudes dedication to service. Following Hurricane Katrina, the court lent assistance to the Louisiana Eastern Bankruptcy Court (LAEB) by providing workspace and equipment for one of LAEB's displaced case administrators, who temporarily relocated to Northern Virginia. Thanks to ECF and access to LAEB's electronic orders application, the case administrator was able to perform all of his assigned duties away from his official duty station for several months as VAEB's guest. Eastern Virginia also provided inventoried computers to the Texas Eastern District Court in the aftermath of Hurricane Rita.

With all of these intense projects and outreach, you may wonder if VAEB employees ever have time to relax. Bill stated, "... the court gets around to having some fun, too!" Staff in each of the divisions have their own unique ways of celebrating events, including a recent Halloween visit from a biker chick and the (real?) Carmen Miranda. There was even an Elvis sighting. A Mardi Gras Fat Tuesday celebration may include indulging in King Cake that is served with gourmet coffee. Summertime wouldn't be complete without staging a real southern barbecue, too. Bill adds, "By the way, you, too, can join in our rich history by coming to Virginia to help celebrate the 400th anniversary of the founding of Jamestown in 2007!"

Bill concludes the Snapshot into his court by stating, "It seems that southern hospitality is a way of life in the Eastern District of Virginia!"

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## News From the Bankruptcy Judges Division

### New Judgeships

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA) authorized 28 new temporary bankruptcy judgeships in 20 judicial districts. There are a total of 352 bankruptcy judgeships in 90 judicial districts, 316 permanent and 36 temporary. Temporary judgeships provide a district with additional judicial resources for a limited period of time. Five years after the date a temporary judgeship is filled, the next vacancy occurring in that district by reason of resignation, retirement, removal or death will not be filled. A temporary judgeship would not be extinguished due to the reappointment of a sitting judge at the end of a 14 year term, however, because with reappointment a vacancy does not occur. Districts receiving temporary judgeships under BAPCPA are guaranteed the additional judgeship for a minimum of five years. Some districts that were authorized temporary judgeships in 1992 still have them! BAPCPA also extended the 'lapse date' of four existing temporary judgeships that were created in 1992. As of May 31, 2006, 12 of the 28 new temporary judgeships have been filled.

### Deficit Reduction Act Challenged

On Sunday April 9, 2006, bankruptcy, district and appellate fee increases mandated by the Deficit Reduction Act of 2006 (DRA) went into effect. The increase in chapter 7 and chapter 13 filing fees was in addition to the fee schedule changes made by BAPCPA, effective October 17, 2005. The additional funds collected pursuant to the DRA are deposited directly into a new special treasury account and are not for the benefit or use of the judiciary.

But the story doesn't end there. The problem occurred after the Senate passed the bill, when a Senate clerk altered the final text of the bill before transmitting it to the House for a vote. The clerk changed the duration of Medicare payment for the rental of medical equipment, including hospital beds and wheelchairs, from 13 months to 36 months. Thereafter, the House passed the altered version of the bill. The President signed the bill into law on February 8, 2006. This seemingly minor change equals a \$2 billion difference to the U.S. Treasury over five years, according to estimates from the Congressional Budget Office. The Republican Congressional leadership acknowledged that the clerk altered the final text of the Senate bill, but characterized the mistake as procedural only. Members of the House and Senate leadership and the President knew of the error before the President signed the Act.

At least four lawsuits challenging the law are now pending in federal courts. In a

suit filed in the U.S. District Court for the Eastern District of Michigan, 11 senior House Democrats, led by Rep. John Conyers (D- MI), challenged the DRA. Their suit sought to enjoin implementation of the Act and to declare it unconstitutional. The complaint alleges that as members of the House of Representatives, the plaintiffs were denied the constitutional process of lawmaking when they were "denied" the opportunity to vote on the unaltered Senate version of the bill.

In a separate case, the government watchdog group Public Citizen sued in the U.S. District Court for the District of Columbia to overturn the law. That complaint focuses on the increase in federal district court filing fees. Stating that the House and Senate approved differing versions of the legislation, the complaint asks for the law to be declared unconstitutional and seeks to enjoin the filing fee increase. The judge set a hearing on motions for summary judgement for July 20, 2006. Additionally, individuals in Alabama (regarding durable medical equipment) and New York (regarding new loan regulations) have filed suit claiming the Act is unconstitutional.

Recently, more than a dozen House Democrats filed an amicus brief in the case of Cookeville Regional Medical Center v. Leavitt, arguing that the court should overturn the DRA because its enactment violated constitutional principles. This case centers on how medicare payments to hospitals should be calculated. The amicus brief argues that the DRA fails to meet the Constitution's Bicameral Clause, which requires both sides of Congress to pass identical legislation. The brief also argues that the DRA violates the Constitution's Appropriations Clause, which requires all spending bills to be generated in the House. Attorneys for the Department of Justice refuted the allegations that the Deficit Reduction Act is unconstitutional, citing an 1892 Supreme Court ruling. DOJ lawyers argued that the DRA meets the Constitution's Bicameral Clause because both the Speaker of the House and the Senate President Pro Tem of the Senate certified the legislation before it reached the President.

A successful constitutional challenge could overturn the DRA and reverse the \$39 billion in budget cuts approved in the legislation, which narrowly passed Congress the first time. (In both chambers of Congress, the Act passed by slim margins, with Vice President Cheney issuing a tie-breaking vote in the Senate.) If the Act were overturned, the judiciary would have to revise its fee schedules to back-out the changes made by the DRA and determine further action as necessary. However, until notified by the AO that a change has occurred, bankruptcy courts should continue to collect the DRA mandated fees and deposit the funds to the special treasury account.

#### **Federal Rulemaking: Recent Supreme Court Action**

On April 12, 2006, the Supreme Court of the United States approved the following new rules and amendments to the Federal Rules of Appellate, Bankruptcy, Civil

(including the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions), and Criminal Procedure, and the Federal Rules of Evidence:

Appellate Rule 25 and new Appellate Rule 32.1;

Bankruptcy Rules 1009, 5005, 7004;

Civil Rules 5, 9, 14, 16, 24, 26, 33, 34, 37, 45, 50, and 65.1; new Civil Rule 5.1;

Civil Form 35; and Supplemental Rules A, C, and E, and new

Supplemental Rule G;

Criminal Rules 5, 6, 32.1, 40, 41, and 58; and

Evidence Rules 404, 408, 606, and 609.

(Approved new Appellate Rule 32.1 only applies to decisions issued on or after January 1, 2007.)

The new rules and amendments have been transmitted to Congress and will take effect on December 1, 2006, unless Congress enacts legislation to reject, modify, or defer the amendments. The rules are available on the judiciary's public website, [www.uscourts.gov/rules/index.html](http://www.uscourts.gov/rules/index.html).

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## The TSP Made Easy

*By James De La Torre*

Do you feel comfortable with the way your money is invested right now in the TSP? What factors did you use to determine how you diversified between the funds? How often do you reposition your TSP investments to keep them in line with your investment objectives? If you don't know the answer to these questions or if you have no idea what I am referring to, then read on. I have conducted financial and retirement seminars for federal employees all over the country. I am comfortable to conclude that 98% of all federal employees are investing in the TSP, but also very concerned that most have absolutely no idea what they are doing. This is a scary thought because the TSP plays a vital role in your retirement picture. Making sure you maximize it is important. Equally important is making sure you have properly diversified your investment to protect not only your retirement accounts, but to protect your sanity as well.

When you look at the TSP, there are two areas you need to be concerned with. The first is your biweekly contributions, and secondly your account balances. Creating true diversification is striking a balance between both contributions and account balances. While most employees I speak with have diversified their contributions among the different funds, they have ignored their account balances. As a result, their TSP accounts often grow disproportionately and subjected to the sharp increases and declines of the market.

As an investor, one of the main objectives to your investment program is to get the highest possible rate of return for the least amount of risk taken. One way to accomplish this is to diversify your investments among different asset classes to achieve a "spread of risk." By spreading your money out among the different asset classes, you protect yourself from any one thing going wrong and wiping out your investment program.

Over the past couple of years, the TSP program has transformed itself into a much more user friendly program for participants to access. The website has all kinds of information, the addition of the two new funds, the S and I Funds, the catch-up contribution program, and the liberalization of employee contributions are examples. Last July, the TSP introduced a new program called the L Funds. The L Funds are the TSP Board's latest attempt to help employees get control of their retirement and plan for their futures.

**What are the L Funds:**

Unlike the five investment fund options (G,F,C,S and I) that already exist in the TSP, the L Funds are not an investment or a mutual fund. They offer a systematic way to invest your contributions inside the TSP. To put it another way, The L funds were designed to provide you with a convenient way to diversify your account among all of the TSP funds (G,F,C,S, and I) using professionally determined investment mixes that are tailored to different time horizons.

The Thrift Investment Board has finally figured out that there are a lot employees out there who are investing for their retirement, and they have no idea what they are doing. In an effort to address this glaring need, the TSP Investment Board has contracted out with Mercer Investment Consulting, Inc. to develop asset allocation. These asset allocations are based on Mercer's assumptions regarding future investment returns, inflation, economic growth, and interest rates. Mercer will review these assumptions at least annually and determine whether changes to the allocation are warranted.

**L Income Fund** is designed to produce current income for participants who already are receiving money from their accounts through monthly payments, and for participants who plan to withdraw from their account before 2008. The asset allocation from this fund does not change over time. It is maintained through daily rebalancing.

The asset allocations for the L Income Fund are:

**74% in the G-Fund**

**6% in the F-Fund**

**12% in the C-Fund**

**3% in the S-Fund**

**5% in the I-Fund.**

**L -2010** is designed for participants with a time horizon or are planning to withdraw their money in four years. The asset allocations of these funds are adjusted quarterly, moving to a more conservative mix, gradually approaching the L-Income Fund. Between quarterly adjustments, the asset allocation of each fund is maintained through daily rebalancing to that fund's target allocation. When the L-2010 reaches its time horizon, it will roll into the L-Income fund.

The asset allocations for the L-2010 Fund are:

**43% in the G-Fund**

**7% in the F-Fund**

**27% in the C-Fund**

**8% in the S-Fund**

**15% in the I-Fund**

**L – 2020** is designed for participants with a time horizon or are planning to withdraw their money in fourteen years. The asset allocations of these funds are adjusted quarterly, moving to a more conservative mix, gradually approaching the L-Income Fund. Between quarterly adjustments, the asset allocation of each fund is maintained through daily rebalancing to that fund's target allocation. When the L-2020 reaches its time horizon, it will roll into the L-income fund.

The asset allocations for the L-2020 Fund are:

**27% in the G-Fund**

**8% in the F-Fund**

**34% in the C-Fund**

**12% in the S-Fund**

**19% in the I-Fund**

**L -2030** is designed for participants with a time horizon or are planning to withdraw their money in twenty-four years. The asset allocations of these funds are adjusted quarterly, moving to a more conservative mix, gradually approaching the L-Income Fund. Between quarterly adjustments, the asset allocation of each fund is maintained through daily rebalancing to that fund's target allocation. When the L-2030 reaches its time horizon, it will roll into the L-income fund.

The asset allocations for the L-2030 Fund are:

**16% in the G-Fund**

**9% in the F-Fund**

**38% in the C-Fund**

**16% in the S-Fund**

**21% in the I-Fund**

**L -2040** is designed for participants with a time horizon or are planning to withdraw their money in thirty-four years. The asset allocations of these funds are adjusted quarterly, moving to a more conservative mix, gradually approaching the L-Income Fund. Between quarterly adjustments, the asset allocation of each fund is maintained through daily rebalancing to that fund's target allocation. When the L-2040 reaches its time horizon, it will roll into the L-income fund.

The asset allocations for the L-2040 Fund are:

**5% in the G-Fund**

**10% in the F-Fund**

**42% in the C-Fund**

**18% in the S-Fund**

**25% in the I-Fund**

**Are the L Funds right for you?**

The L Funds are designed to help all federal employees diversify and save for retirement. Having a professional investment consulting company devise a strategy based upon their assumptions is a much more creditable source than asking a coworker what you should do. I say that because, if you are a person who is not interested in investments, and do not want to spend any time setting up and managing your TSP account, then the L Funds maybe for you. Keep in mind investing in the L Funds does not guarantee success. Like with any and all investments there are no guarantees for performance.

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