

FRTIB

L Funds Additions Project

PRESENTED BY
Sahr N. Nyandemoh

June 22, 2020



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
tsp.gov

tsp4gov @



Agenda

- Background & Overview
- Objectives
- Impact to Participants & Beneficiaries
- Project Scope & Agency Resources
- Test Results
- Communication Timeline
- Next Steps



Project Background & Overview

- Drivers for Change
 - Large and growing population of young participants, especially due to Blended Retirement
 - Help participants better target their individual time horizons
 - Retire the L 2020 Fund
- Board voted to transition to 5-year L Funds in May 2017
 - Aligns TSP with industry best-practices
 - Confirmed by external consulting group
 - Implementation target date: June 2020

Project Objectives

- Add New L Funds (5-Year Increments and L 2060)

L 2025*

L 2030

L Income

L 2035*

L 2040

L 2045*

L 2050

L 2055*

L 2060*

L 2065*

- Retire L 2020 Fund
- New L Funds will launch on-time (in 8 days): **June 30, 2020**

* Denotes new fund

Impact to Participants & Beneficiaries

- Inter-Fund Transfers (IFT)
 - IFTs for L 2020 will be halted at 12:00pm (noon) on June 30, 2020
 - New L Funds will be available to participants at 12:01pm (same day)
 - IFT into new funds processed that night and will appear on July 1, 2020
- L 2020 Rollover
 - Participants enrolled in L 2020 Fund will automatically rollover into L Income Fund on 06/30/2020
 - Participants will have the option to transfer out of the L Income Fund into any of the existing or new L Funds on July 1, 2020

Project Scope & Agency Resources

- Planning, Design, Development & Managing Cross-Dependencies
 - OI
 - Glide Paths
 - OCFO
 - CaMI (Financial System)
 - OCE
 - Communications Strategy
 - Statements, Notices, Publications, Videos & Website
 - OPS
 - Bulletins
 - ThriftLine – Contact Center / Participant Service Representative Screens
 - IVR (Integrated Voice Response)
 - OGC
 - Legal Review & Opinions
 - OEP
 - Business Intelligence Databases & Reporting Systems
 - OTS & SAIC
 - OMNI (Recordkeeping System)

18 Branches
& Division



Testing Results

- Testing & Defect Repair
 - System & Regression Testing (SAIC)
 - User Acceptance Testing (FRTIB)
 - 10-Weeks (From Planning to Completion)
 - \approx 400 Test Cases
- End-User Validation & Approval
 - OI • OPS
 - OCFO • OEP
 - OCE • OTS
- Benefits
 - Decreased probability for defects to surface in production
 - Ability to reuse test scenarios for rollout of future 5-year L Funds



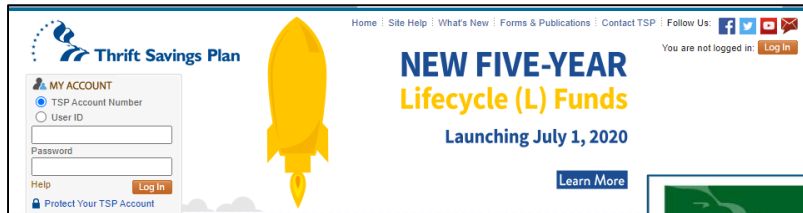
Communications: Notices

- Notices generated and sent to participants enrolled in L 2020 Fund on April 27, 2020
- Notices will be sent to participants informing them of automatic rollover from L 2020 Fund to L Income Fund on July 1, 2020



Communications: Education

Banner and Fact Sheet posted June 1



Email sent June 17

Additional Lifecycle (L) Funds (pdf) for more information.'" data-bbox="656 228 946 946"/>

Next Steps

- Deployment Readiness Review
- 2-Stage Deployment
 - Stage 1: General code released into production on 06/26/2020
 - Stage 2: New L Funds (Go-Live) on 06/30/2020
- Post-Deployment Validation



Questions & Comments

Questions ?



Appendix



Outcome-Oriented Goals

Agency Strategic Goal Alignment

Goal D: Participants Achieve Retirement Outcomes- Develop a new participant experience that enables participants to identify and achieve their targeted retirement outcomes

Agency Strategic Outcome Alignment

Participants retire comfortably, when they're ready.

Project Outcome-Oriented Goals

- Introduce L 2025, L 2035, L 2045, L 2055, L 2060 and L 2065 Funds to enable participants to align their retirement investments with appropriate risk profiles.
- Retire the L 2020 Fund by rolling all participants currently enrolled in the L 2020 Fund into the L Income Fund to preserve their retirement accounts.

Project Success Measures

- Greater than 64% of civilian participants are in L Funds that have maturity dates within 3 years of the year they turn 63. (Current civilian participation rate is 55%)
- Greater than 42% of BRS participants are in L Funds that have maturity dates within 3 years of the year they turn 63. (Current BRS participation rate is 15%)
- Over the first year (July 1, 2020 to June 30, 2021), there are greater than 110,000 IFTs into new L Funds
- Greater than 65 percent of L 2020 investors who are rolled into L Income on June 30, 2020 will still be invested in L Income one year later.

