



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77K Street, NE Washington, DC 20002

September 14, 2020

**Employee Benefits Security Administration - Performance Audit of the Thrift Savings Plan
Annuity Process**

Audit Report Date:

July 24, 2020

Audit Scope Period:

January 1, 2019 through December 31, 2019

Audit Objectives:

1. Determine whether the Agency implemented certain procedures to:
 - a. Process annuity payments and payments to beneficiaries promptly and accurately.
 - b. Provide the annuity options prescribed under the Federal Employees' Retirement System Act (FERSA) of 1986, as amended, and applicable Agency regulations
 - c. Perform due diligence reviews of the annuity vendor's financial condition and evaluate the financial stability of the annuity vendor at the time of contract award and in subsequent years as prescribed under FERSA.
2. Test compliance with various USC and CFR sections.
3. Determine the status of prior year recommendations.

Audit Results:

EBSA concluded that for the period January 1, 2019 through December 31, 2019 the Agency implemented certain procedures to:

1. Process annuity payments and payments to beneficiaries promptly and accurately.
2. Provide the annuity options prescribed under FERSA and applicable Agency regulations.
3. Perform due diligence reviews of the annuity vendor's financial condition and evaluate the financial stability of the annuity vendor at the time of contract award and in subsequent years as prescribed under FERSA.

EBSA did not identify any instances of noncompliance with FERSA or Agency Regulations.

EBSA closed 1 prior year recommendations, presented 3 new recommendations and left open no prior year recommendations.

Open recommendations were in the following areas:

1. Inaccurate Virginia state withholdings calculation.
2. Untimely monthly annuity payment.
3. Weakness in annuity vendor address information update.