

FRTIB Annual Budget

Presentation

FY 2021 Review and FY 2022 Proposal

Presented By

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Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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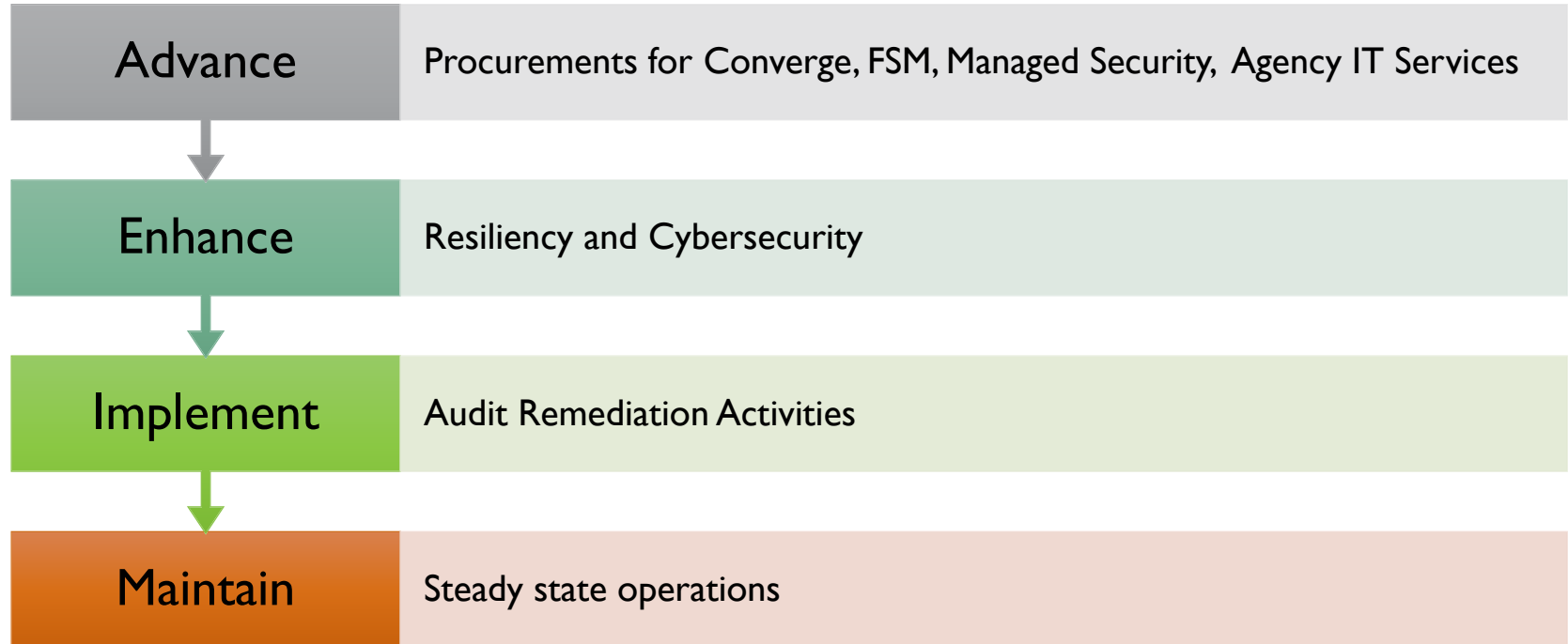
Agenda

- FY 2021 Review
- Historical Analysis
- FY 2022 Budget Proposal
- Questions

FY 2021 Review



FY21 Priorities



FY21 Operational Highlights



Handled >466K Forms



Answered 2.6M Calls



**Mailed ~17.5M
Communications Materials**



**Processed 96.6M
Contributions = \$24.3B**



**Managed \$732B AUM for
6.3M participants**

FY21 Notable Accomplishments

- **Procurement:**

- ✓ Converge was awarded in November 2020 and is on track to be fully implemented in the Summer 2022
- ✓ Financial Systems Modernization (FSM) implementation started and is expected to be completed in January 2022
- ✓ Managed Security Services (MSS) full implementation planned for January 2022
- ✓ Agency IT Services (AITS) procurement is being worked

FY21 Notable Accomplishments

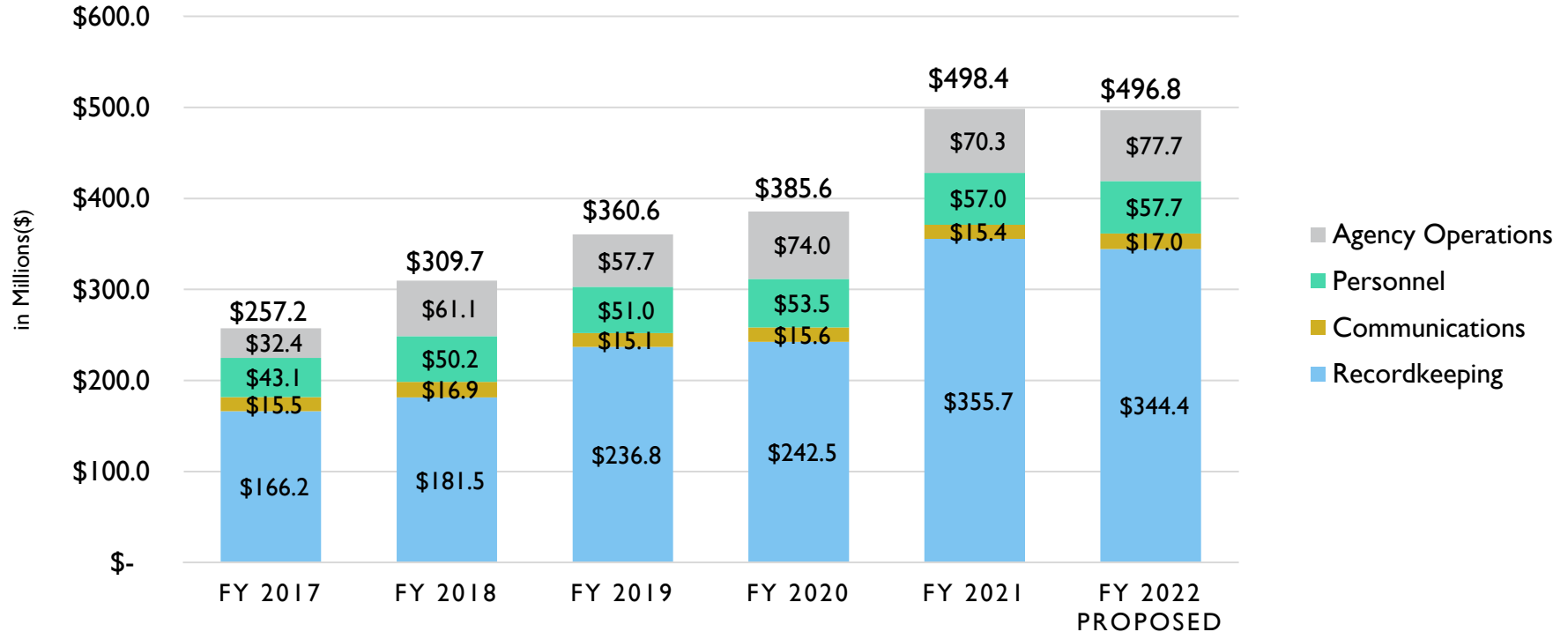
- **Agency Operations:**

- ✓ Instituted major operational changes due to COVID with zero participant service interruption
- ✓ Increased the default deferral rate for automatically enrolled participants from 3% to 5%
- ✓ Implemented the Spillover project “catch-up contribution project”
- ✓ Implemented the Coronavirus Aid, Relief, and Economic Security (CARES) Act
- ✓ Implemented the Setting Every Community Up for Retirement Enhancement (SECURE) Act, which changed the age for RMDs from 70½ to 72
- ✓ Tested a variety of outreach strategies informed by the Agency’s social scientist to improve retirement outcomes for participants; as a result of these tests, an estimated 77,000 participants have \$220 million more in their TSP accounts

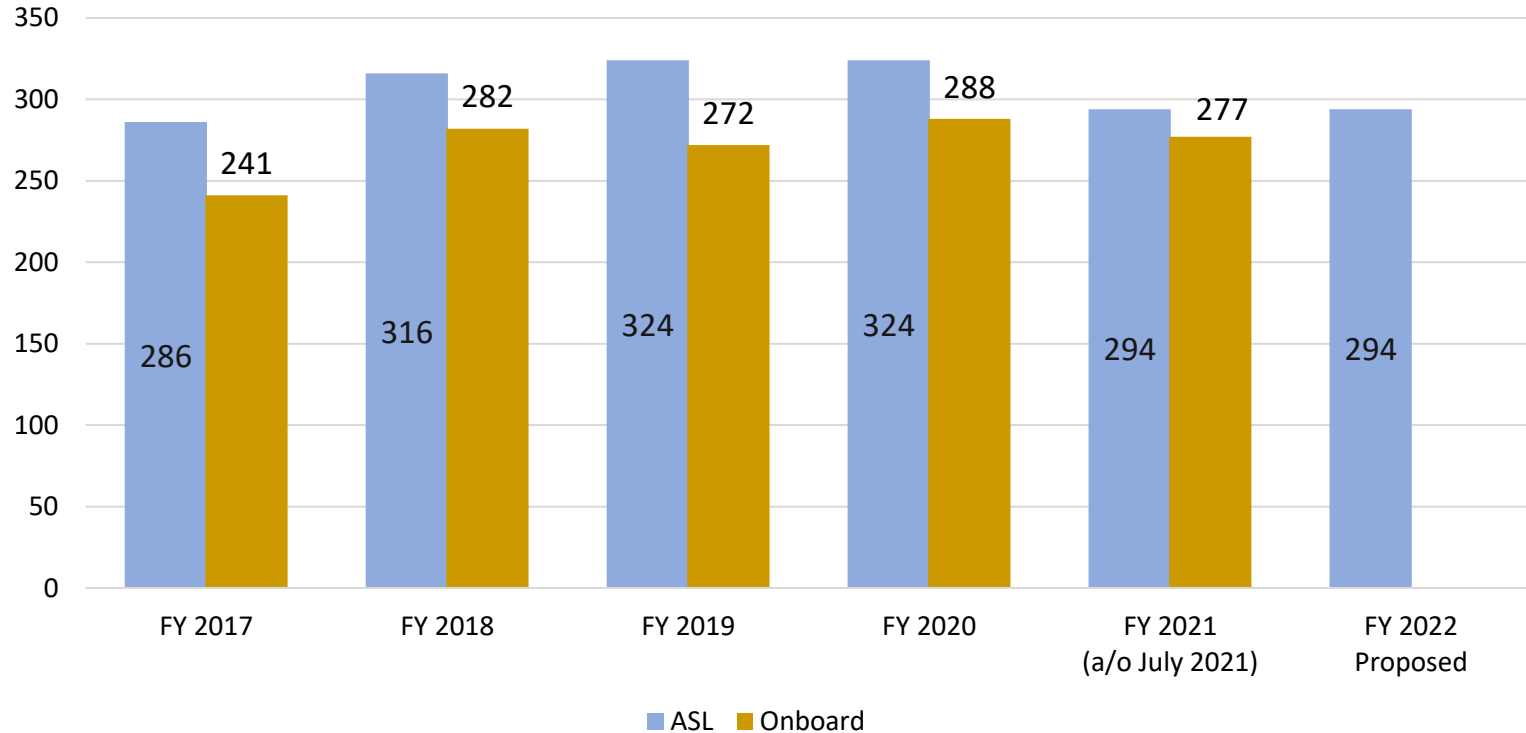
Historical Analysis



Historical Budget Overview



Historical Authorized Staffing Levels (ASL)



Accomplishments

FISMA
Maturity

Enhanced
Cybersecurity

New Record
Keeping
Procurement

Spillover for
Catch Up

Audit
Closures

5% Auto
Deferral

Multi-Asset
Manager

New 5 Year
L-Funds

Implement SECURE ACT

Implement CARES ACT

Implement Blended
Retirement System

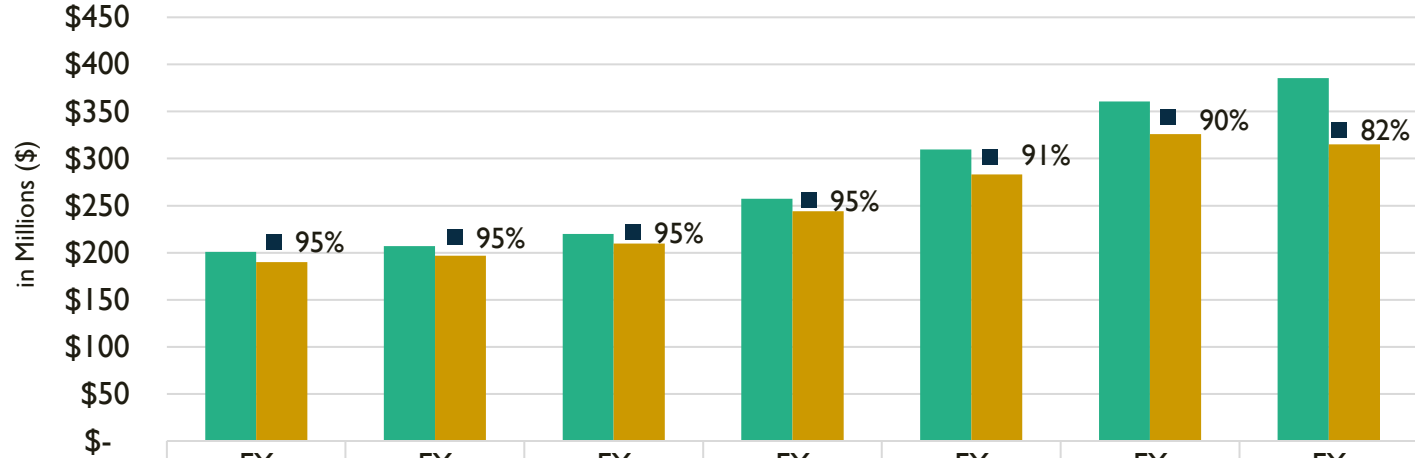
Implement Withdrawal
Flexibilities

Steady State Operations



We Spend Money Wisely

Budget vs Actual Expenditures



Budget	
Actual Expensed (a/o 07/31/2021)	
Percentage	

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
\$201	\$207	\$220	\$257	\$310	\$361	\$386
\$190	\$197	\$210	\$244	\$283	\$326	\$315
95%	95%	95%	95%	91%	90%	82%



FY 2022 Budget Proposal



FY22 – FY27 Strategic Goals

Given the shift away from the management of recordkeeping and ownership of IT, in the next strategic plan, we will focus on benefits policy, holding the provider accountable for the delivery of services, participant outcomes and satisfaction, and of course, a successful transition to our new vendor contracts.



Improve participant retirement outcomes

- Pursue a set of objectives that are focused on providing participants the benefits and resources that will enable them to define and achieve their retirement goals



Provide top-tier defined contribution services to participants

- Pursue a set of objectives that are focused on effective, efficient and responsive services that meet participant expectations and place the TSP among the top plan sponsors



Function as a high-performing Agency

- Pursue a set of objectives that are focused on the people, processes and technology that will ensure that FRTIB and its staff are high-performing



Transition successfully to a managed services operating model

- Pursue a set of objectives that are focused on aligning Agency operations, contract oversight and human capital to successfully transition and operationalize all new service delivery contracts (including training, change management and organizational alignment)



FY22 FRTIB Priorities

The previous slide describes the goals that guide the Agency over the next 5 years, however there are a handful of strategic priorities that will be the focus of FY22 and ultimately enable the overall achievement of our Strategic Goals in the FY22-26 Strategic Plan.

Immediate Priorities for the new fiscal year



**Fully implement
Converge**



**Fully implement
FSM, MSS, and
AITS**

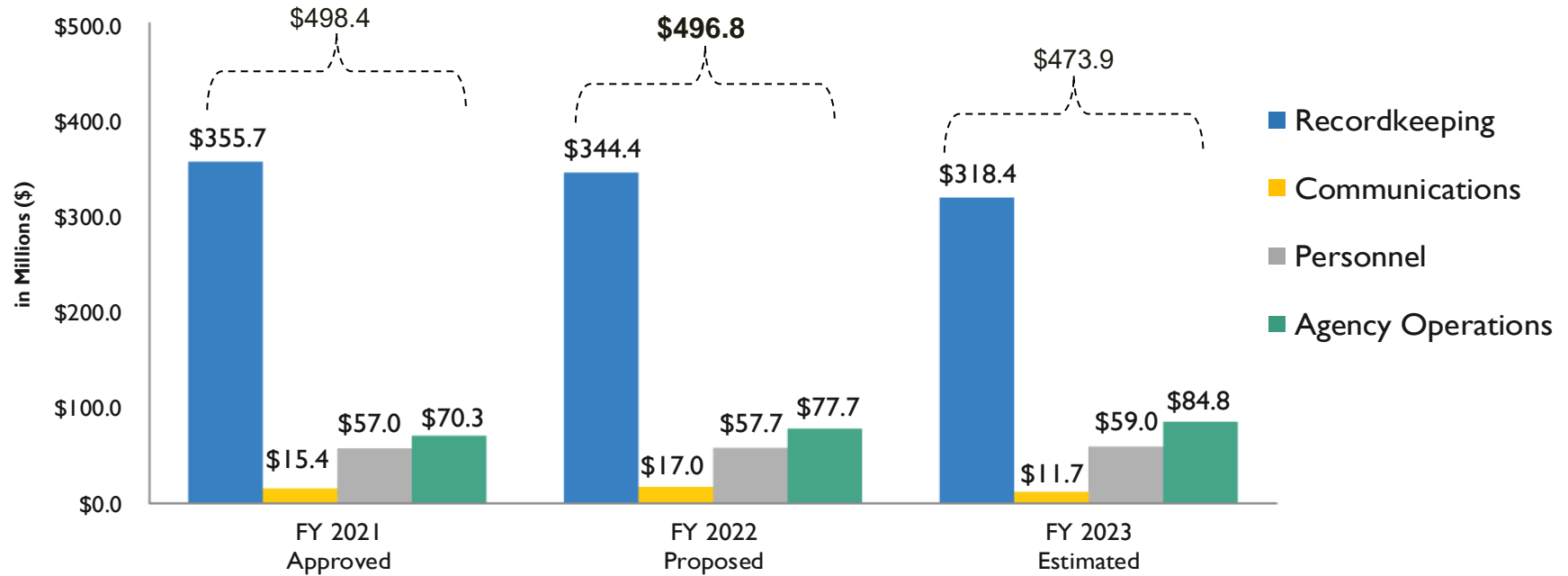


**Transition to a new
operating model**



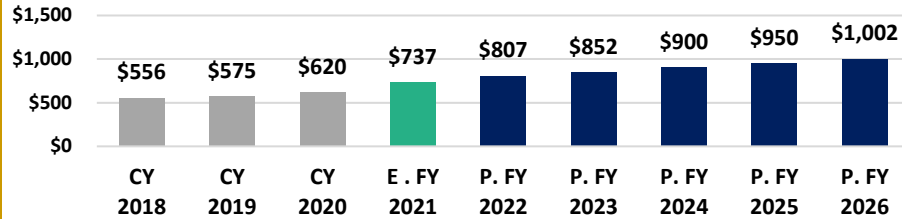
**Maintain steady
state operations
while the
transitions occur**

FY22 Budget Overview

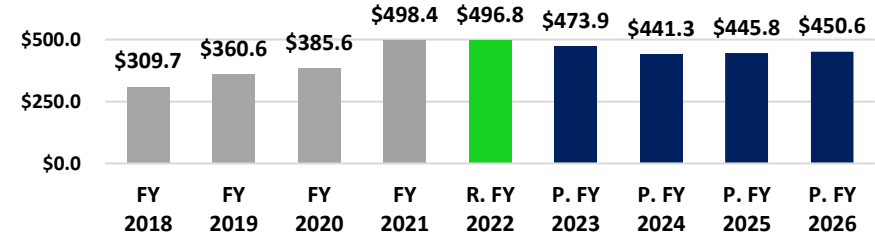


FY22 Budget Relative to Plan Projections

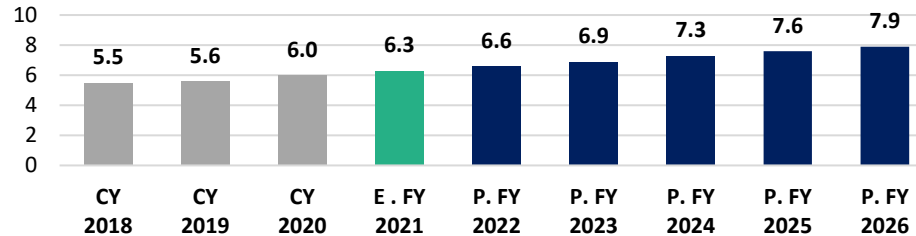
Average Assets
in Billions (\$)



Budget
in Millions (\$)



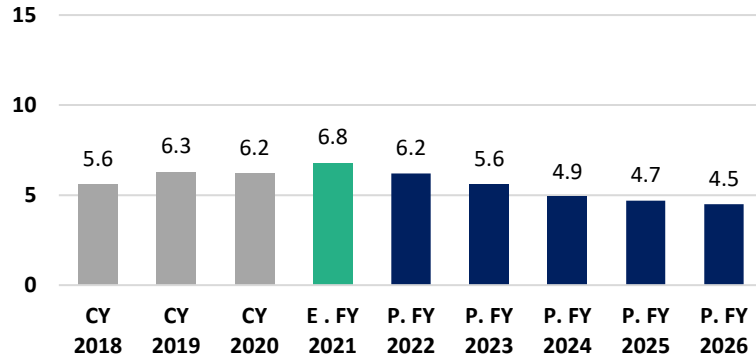
Participants
in Millions



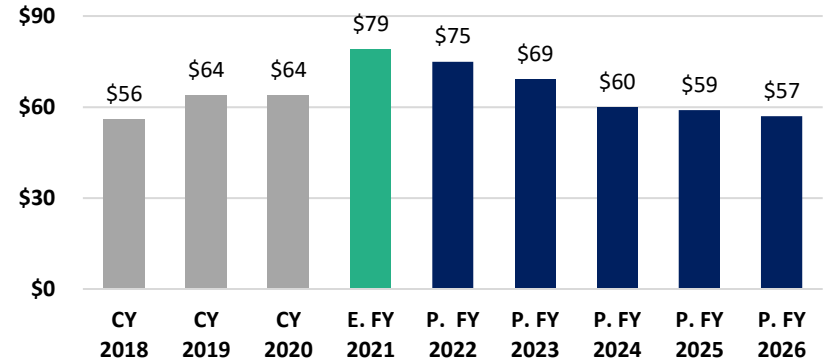
CY = Actuals E. = Estimate P. = Projected R. = Requested

FY22 Budget Relative to Plan Projections

**Budget to Assets Ratio
in Gross Basis Points**



**Budget to Participant Ratio
in Dollars (\$)**



CY = Actuals E. = Estimate P. = Projected



FY22 Budget Recap

FY 2021 Approved

- \$498.4M Approved Budget
- \$79.8M (16.0% of the Budget) Available

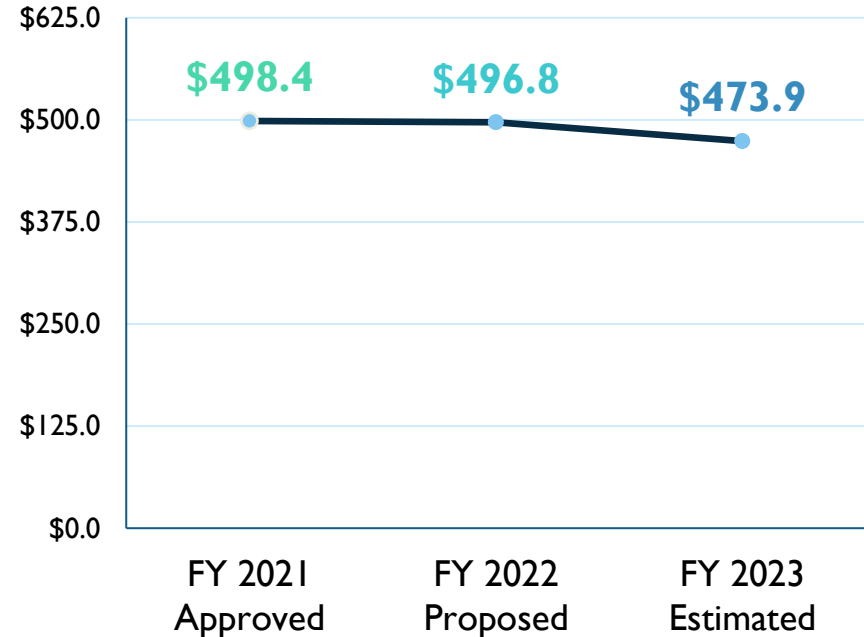
FY 2022 Proposed

- \$496.8M Proposed
- 0.3% decrease from FY 2021

FY 2023 Estimated

- \$473.9M Estimated
- 4.9% decrease from FY 2021

FY 2021 – FY 2023 Budget Summary in Millions (\$)



Questions?

