

FRTIB's Implementation of the CARES Act

PRESENTED BY
THE FEDERAL RETIREMENT THRIFT
INVESTMENT BOARD

JULY 27, 2020



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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Agenda

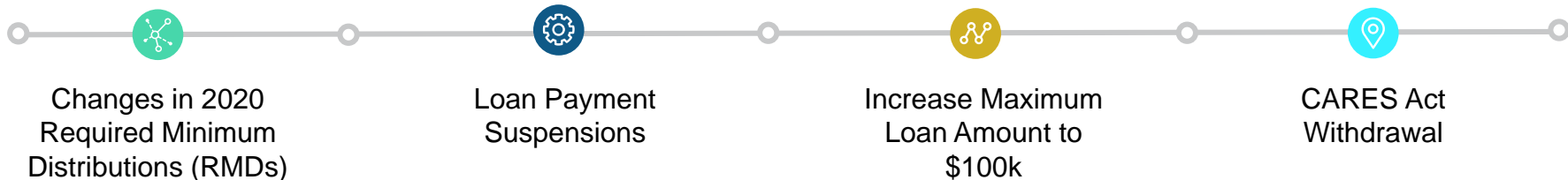
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Cares Act Overview

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. FRTIB created the CARES Act project to respond to this legislation and implement its key provisions, which were all optional to adopt.

The CARES Act project includes four key provisions to enable participants and beneficiaries to leverage new capabilities in response to their financial management needs during the COVID-19 pandemic.

The key provisions of the legislation that are being addressed in the CARES Act project are:



FRTIB's Implementation of the CARES Act

The CARES Act outlined various key provisions to assist individuals during a difficult economic environment. In order to best support the TSP's Participants and Beneficiaries, FRTIB made the following decisions to implement each key provision of the CARES Act:



CARES Act Withdrawal

- One withdrawal for up to \$100K
- Participants have up to 3 years to repay distribution
- No age restrictions
- No 10% IRS early withdrawal penalty



Required Minimum Distributions

- Suppress all 2020 RMDs
- Life expectancy changes (plan wide change)



Loan Payment Suspensions

- Suspend loan payments until December 31, 2020
- New form created for participants
- Loans are re-amortized once suspension ends



Loan Amount Increase

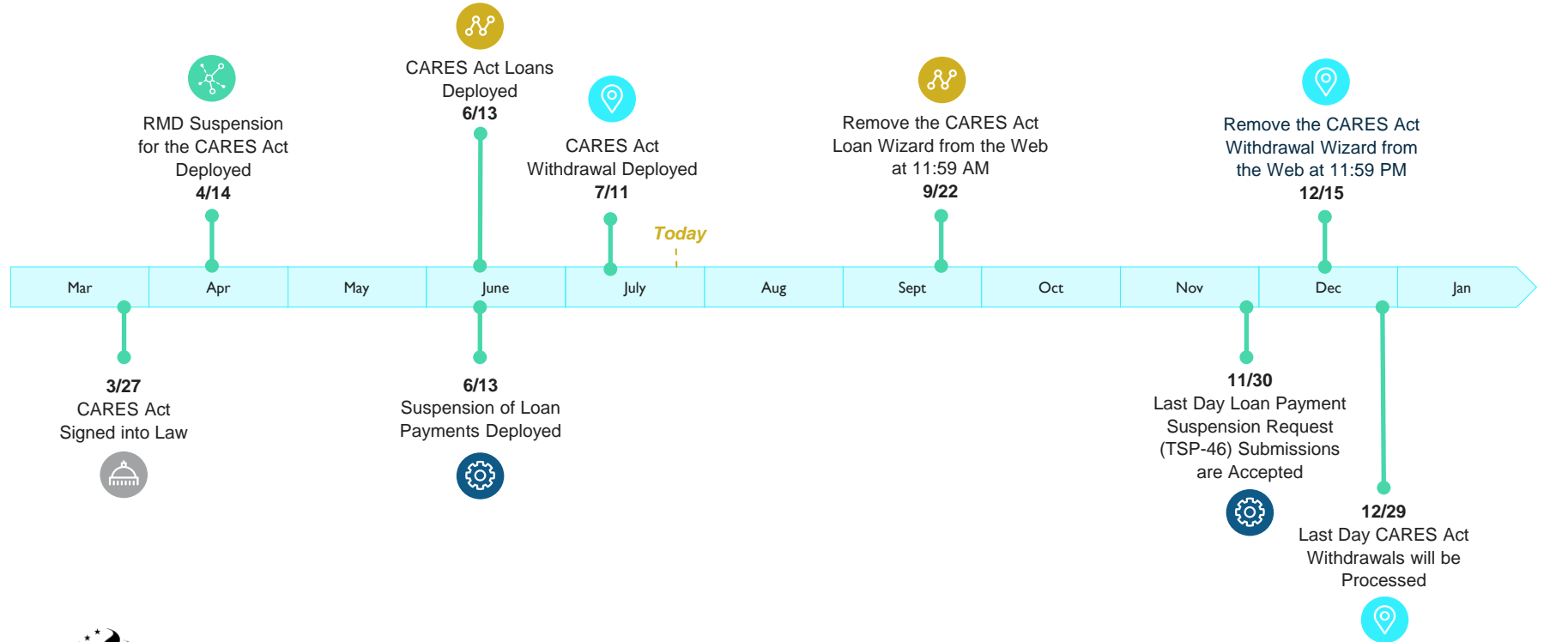
- Loan amount increases from \$50K to \$100K
- Available until September 22nd, 2020
- Payments are NOT immediately suspended

All changes above were communicated to Participants and Beneficiaries across all of our available communication channels



FRTIB's CARES Act Project Timeline

Following the passing of the CARES Act on March 27, FRTIB has rapidly developed and implemented its approach to allow for greater financial options for the TSP's Participants and Beneficiaries.



Results of FRTIB's CARES Act Implementation

Since implementing the CARES Act changes, Participants and Beneficiaries have been utilizing the new functionalities. The data below are as of July 17, 2020:



CARES Act Withdrawal

3,797 CARES Act Withdrawals

\$26,270 Average amount of CARES Act Withdrawals

\$99,746,397 Total amount of CARES Act Withdrawals



Loan Payment Suspensions

1,897 Loan Payment Suspensions Processed



CARES Act Loans

787 CARES Act Loans over 50K

\$74,402 Average amount of CARES Act Loans

\$58,554,866 Total amount of CARES Act Loans



Questions?

