

Office of Enterprise Planning

PRESENTED BY
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Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

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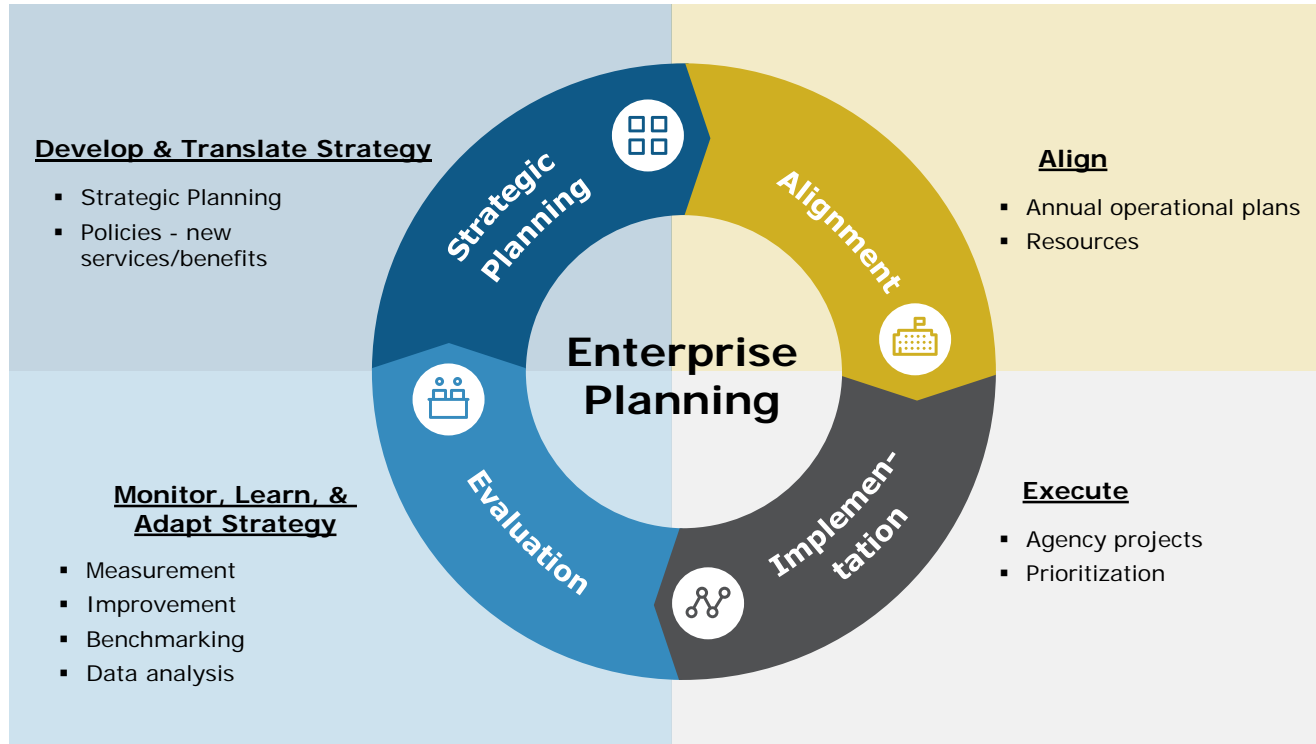
AGENDA

- OEP Functional Activities
- Organizational Structure
- 2018 Notable Accomplishments
- 2019 Key Initiatives
- Plan Analysis

OEP FUNCTIONAL STATEMENT

Support FRTIB planning - from vision and strategy through implementation, measurement, and continuous improvement - in order to inform and shape its direction and administration of the Thrift Savings Plan

Bringing Enterprise Planning Full Circle



OFFICE OF ENTERPRISE PLANNING



Authorized Staff: 25
On board: 23

FY 2018 NOTABLE ACCOMPLISHMENTS

- Monitoring and reporting progress against 2017-2021 Strategic Planning
- Project Management
 - Blended Retirement
 - POMP portfolio
 - Integrated view into Agency activities
- Enterprise Business Processes



- 223 processes

- [illegible]

FY 2019 KEY INITIATIVES

*Manage Agency
Projects:
Withdrawals
POMP*

*Complete Enterprise
Data Inventory*

*Participant Survey
Expand Data Analytics
Capabilities*

*Prioritization of work in
preparation for RKSA
transition*

*Maturing Enterprise
Business Processes
and coordination
with Enterprise Risk*

*Acquisition Lifecycle
Assessment*



Plan Analysis

(as of 12/31/2017)

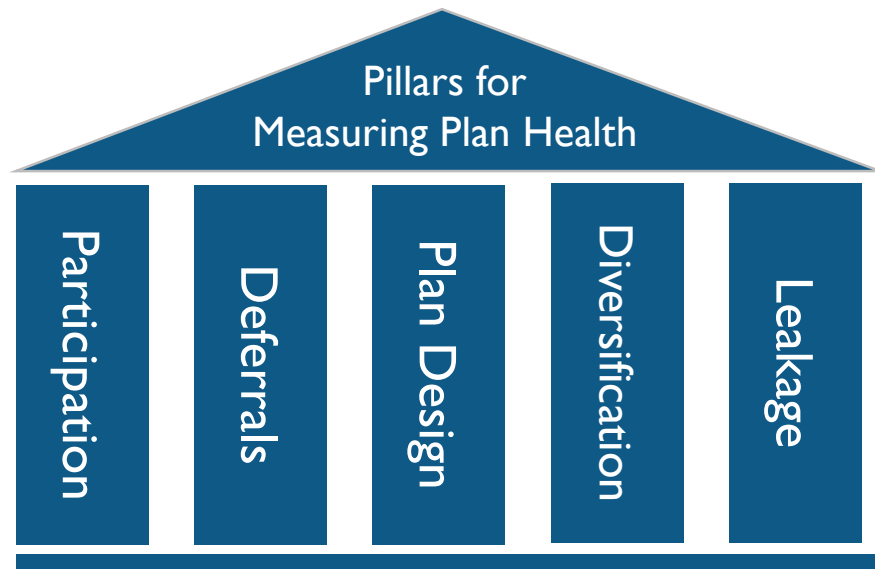


Thrift Savings Plan

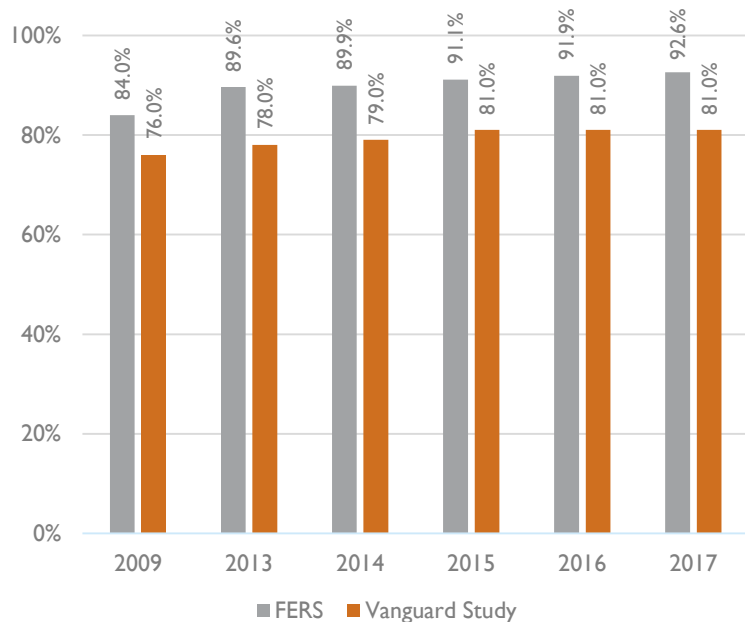
Did you Know?

- First U.S. defined contribution plan to surpass \$500 billion
- FERS has more participants than the top 10 §401(k) plans
- Automatic enrollment introduced in 2010, has been a major influence on the Plan

Plan Health



Participation Rates



- Historically strong
- Aided by automatic enrollment
- 8.6% increase since implementation

(Vanguard's *How American Saves* report)

Participation Rates

96.5%

Participation rate for those under age 29
up from about 75% in 2009

94.6%

Participation rate for those age 30-39
up from 82% in 2009



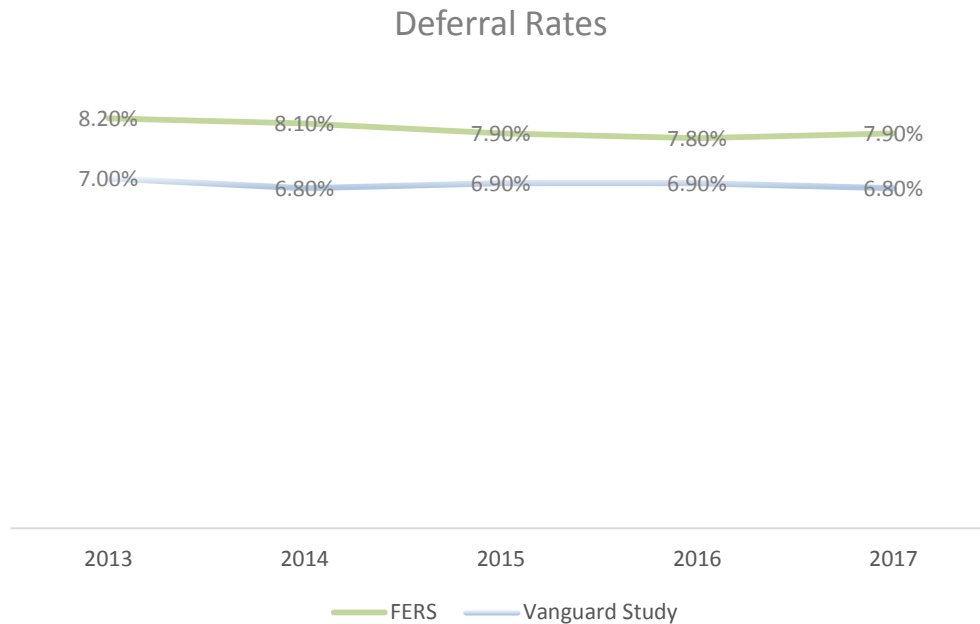
Participation Rates

- Historically higher paid workers had higher participation rates
- Automatic enrollment has caused the difference to shrink



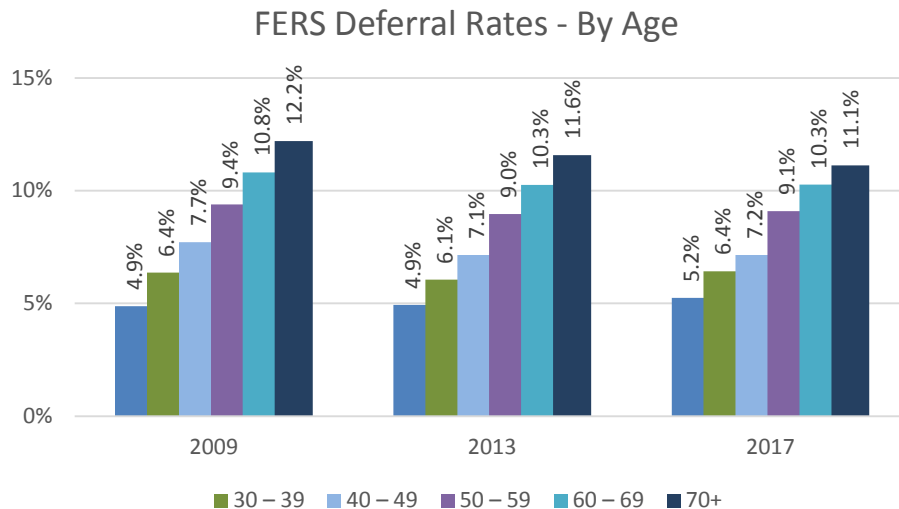
Deferral Rates

- Deferral rates are declining
- FERS deferrals are higher than market



Deferral Rates

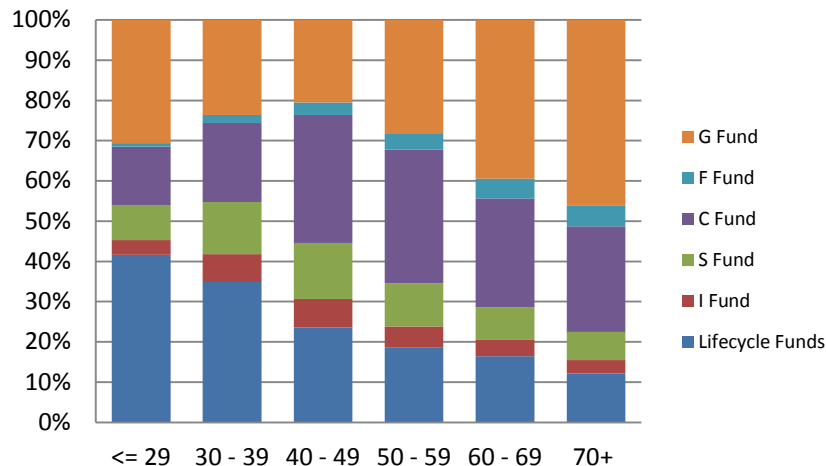
- Youngest cohort has rate of 5.2%
- 70+ cohort defers at 11.1%



Diversification

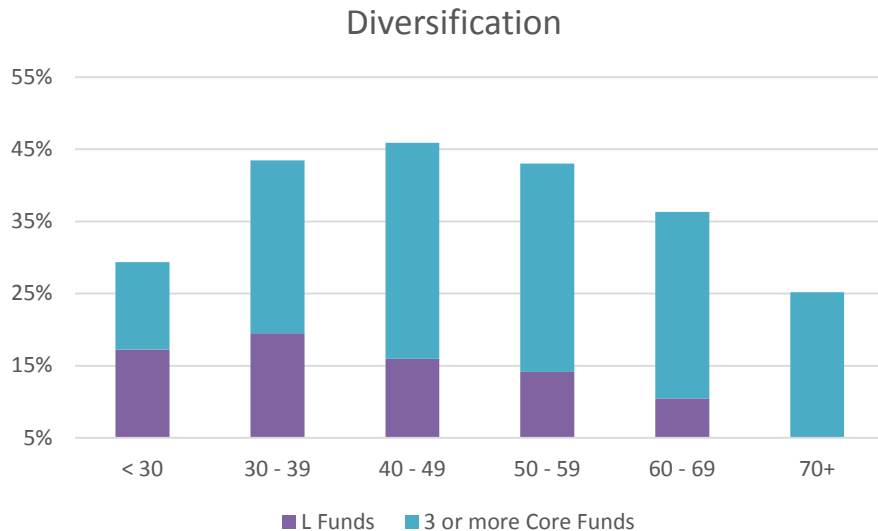
- Utilization of G Funds largely increases with age
- Lifecycle utilization highest in the youngest cohorts
- 70 and older are the highest allocation to L Income

Investment Allocation - by Age



Diversification

- Over 40% of participants are either in an L Fund or have allocated their account balance to 3 or more core funds



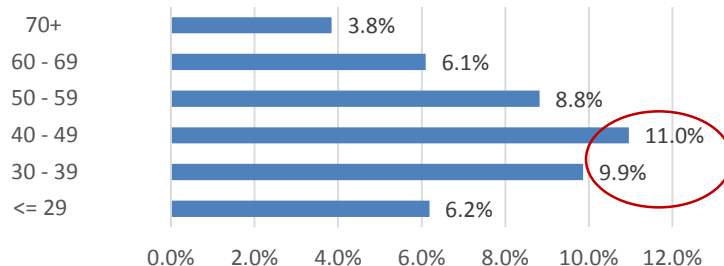
Plan Design

- Auto-enrollment has influenced
 - Participation rates
 - Deferral levels
 - Investment allocation
- Matching formula drives deferral rate clustering
- Simplicity of plan features

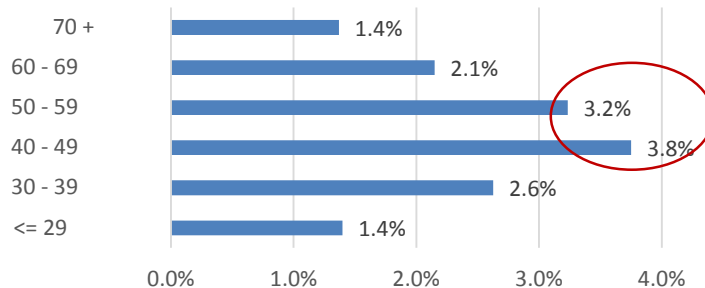
Leakage

- Loan usage highest among the groups spanning 30-49 age range
 - Compares favorably to market data reflecting 20-25% loan usage
- 14.5% of participants took a hardship withdrawal in 2017
 - 3.8% of TSP participants aged 40-49 took hardships vs 9% for market

2017 Loan Usage - by age



2017 Hardship Withdrawals - by age



Social Media

- Social engagement
- On demand information
 - Facebook
 - YouTube
 - Twitter
- Only 7.2% of plan sponsors use social media



Summary

- There are many things the TSP is doing well:
 - Communications to drive improved behavior
 - Increasing the default deferral rate to 5%
 - Use of wizards and calculators to help participants make more informed decisions
 - Retirement income illustration provided on annual statements
 - Leader in leveraging social media



**THRIFT
SAVINGS
PLAN**

