



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

January 28, 2019

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

Audit Report Date:

September 20, 2018

Audit Scope Period:

January 1, 2017 to December 31, 2017

Audit Objectives:

- Determine whether the Agency implemented certain procedures:
 1. Process annuity payments and payments to beneficiaries promptly and accurately.
 2. Provide the annuity options prescribed under the Federal Employees' Retirement System Act (FERSA) of 1986, as amended, 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.
- Test compliance of the TSP account maintenance process with select USC and CFR sections.
- Determine the status of prior EBSA open recommendations.

Audit Results:

EBSA concluded that for the period January 1, 2017 through December 31, 2017, the Agency implemented certain procedures to:

1. Process annuity payments and payments to beneficiaries promptly and accurately.
2. Provide the annuity options prescribed under the Federal Employees' Retirement System Act (FERSA) of 1986, as amended, 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.

As a result of compliance testing, EBSA did not identify any instances of noncompliance with select USC and CFR sections except an instance of noncompliance with 5 CFR 1650.61(b) related to the required spousal notification for a Civil Service Retirement System (CSRS) participant that elected a post-employment annuity withdrawal.

EBSA closed 3 prior year recommendations and presented 1 new recommendation. The new recommendation noted weaknesses in spousal notification of annuity withdrawals.