Office of Enterprise **Planning**

PRESENTED BY RENEE WILDER GUERIN











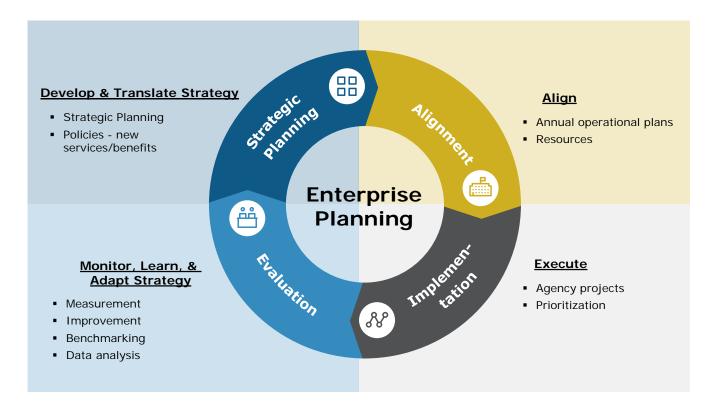
AGENDA

- 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



Enterprise Business Process

- 223 processes
 - Descriptions, accountable, support, applications, importance to mission delivery, SME

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FY 2019 KEY INITIATIVES

Complete Enterprise
Data Inventory

Manage Agency Projects: Withdrawals POMP 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

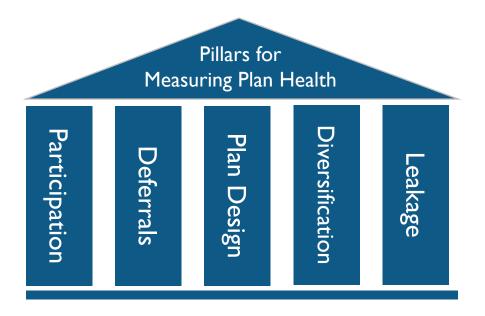
(as of 12/31/2017)



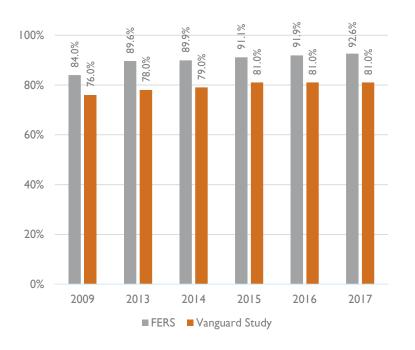
Did you Know?

- 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)

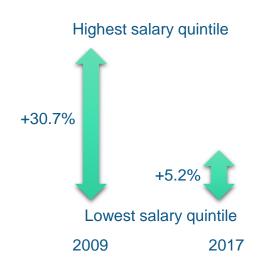


Participation Rates



Participation Rates

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

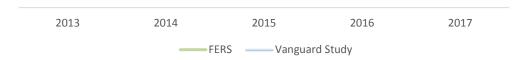


Deferral Rates

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

Deferral Rates

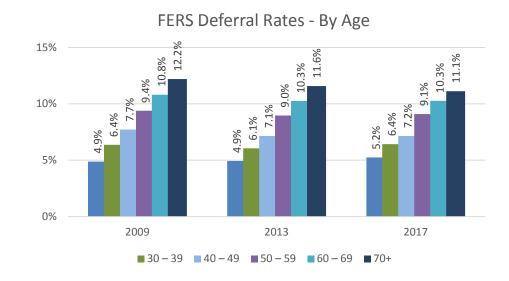






Deferral Rates

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

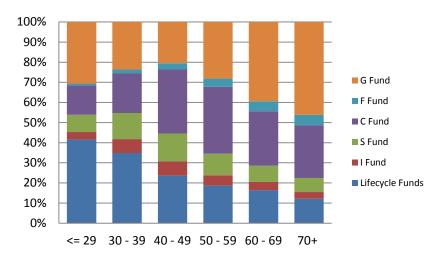




Diversification

- 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

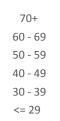
- Auto-enrollment has influenced
 - Participation rates
 - Deferral levels
 - Investment allocation
- Matching formula drives deferral rate clustering
- Simplicity of plan features

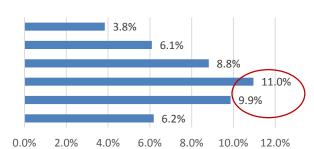
Leakage

- Loan usage highest among the groups spanning 30-49 age range
 - Compares favorably to market data reflecting 20-25% loan usage

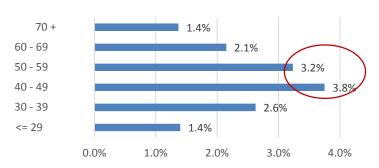
- 14.5% of participants took a hardship withdrawal in 2017
 - 3.8% of TSP participants aged 40-49 took hardships vs 9% for market

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

