

FRTIB

Annual Budget Presentation

FY 2020 Proposal

FY 2021 Estimate

PRESENTED BY

RAVINDRA DEO, EXECUTIVE DIRECTOR

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September 16, 2019



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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Agenda

- FY 2019 Review
- FY 2019 Operational Highlights
- FY 2020 Budget Proposal
- FY 2020 Agency Activities
- Budget Summary
- Questions

FY 2019 Review

Agency activities focused on strategic priorities executed against our \$360.6M FY 2019 Budget:

- ✓ Steady State
- ✓ Cyber Security & Audit Remediation
- ✓ Agency and Plan Operations
- ✓ Plan Operations Modernization Portfolio (POMP)

FY 2019 Operational Highlights

**Managed
\$590B AUM
5.7M Participants**



**Processed \$26B
Contributions**



Mailed 17.2M

**Communications
Materials**

**Answered
2M Calls**



Performed 800K

Benefits Transactions



Handled

735K Forms



Added 400K Uniformed Service Members



FY 2020 Budget Proposal



Budget Summary

FY 2019 Approved Budget

- \$360.6M budget execution is in alignment with projected allocation

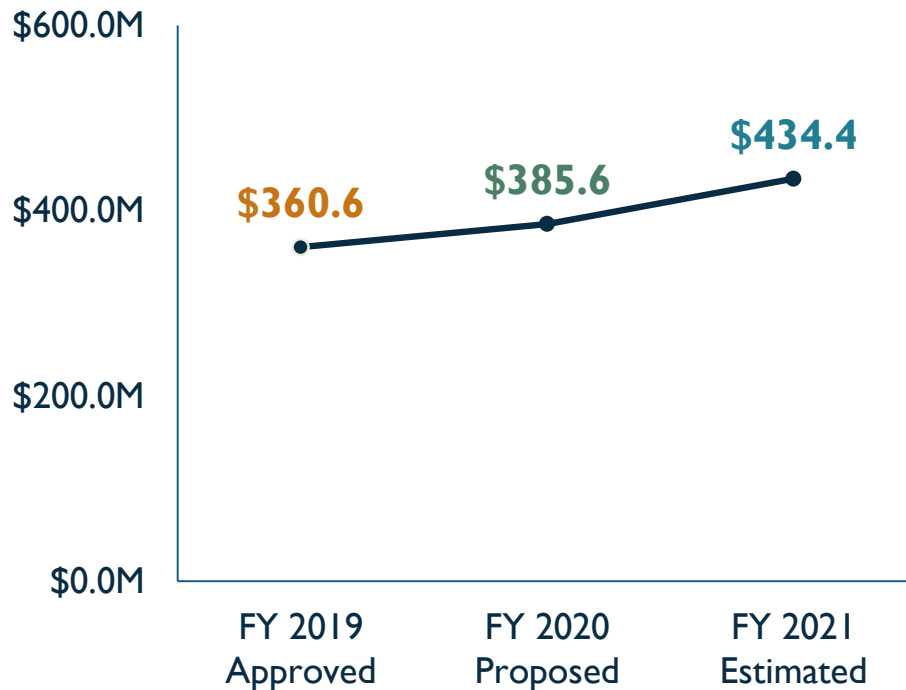
FY 2020 Proposed Budget

- Seeking approval for \$385.6M
- 6.9% increase from FY 2019
- Advance key procurement activities and initiatives
- Continue enhancing benefits and services to participants
- Implement internal effectiveness and efficiency initiatives

FY 2021 Estimated Budget

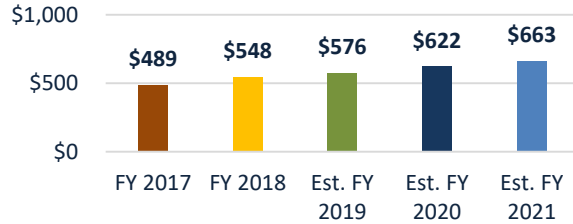
- Estimate of \$434.4M
- Implementing FSM
- Preparing for RKSA transition

FY 2019 – FY 2021 Budget Summary

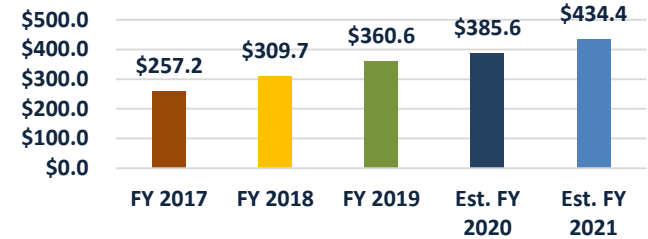


FY 2020 Budget Relative to Plan Projections

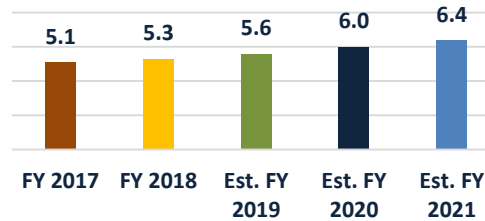
**Average Assets
in Billions (\$)**



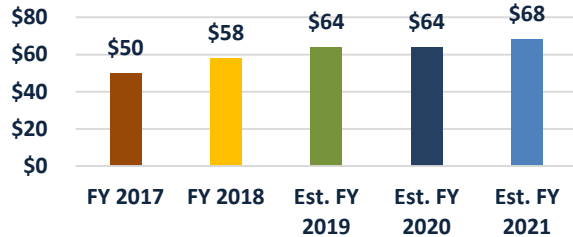
**Budget
in Millions (\$)**



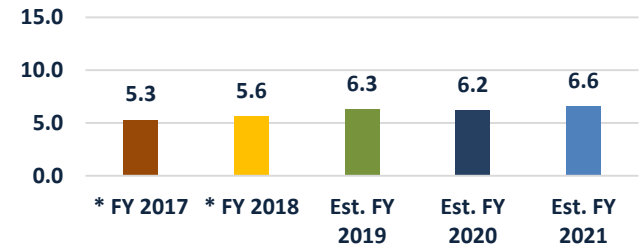
**Participants
in Millions**



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

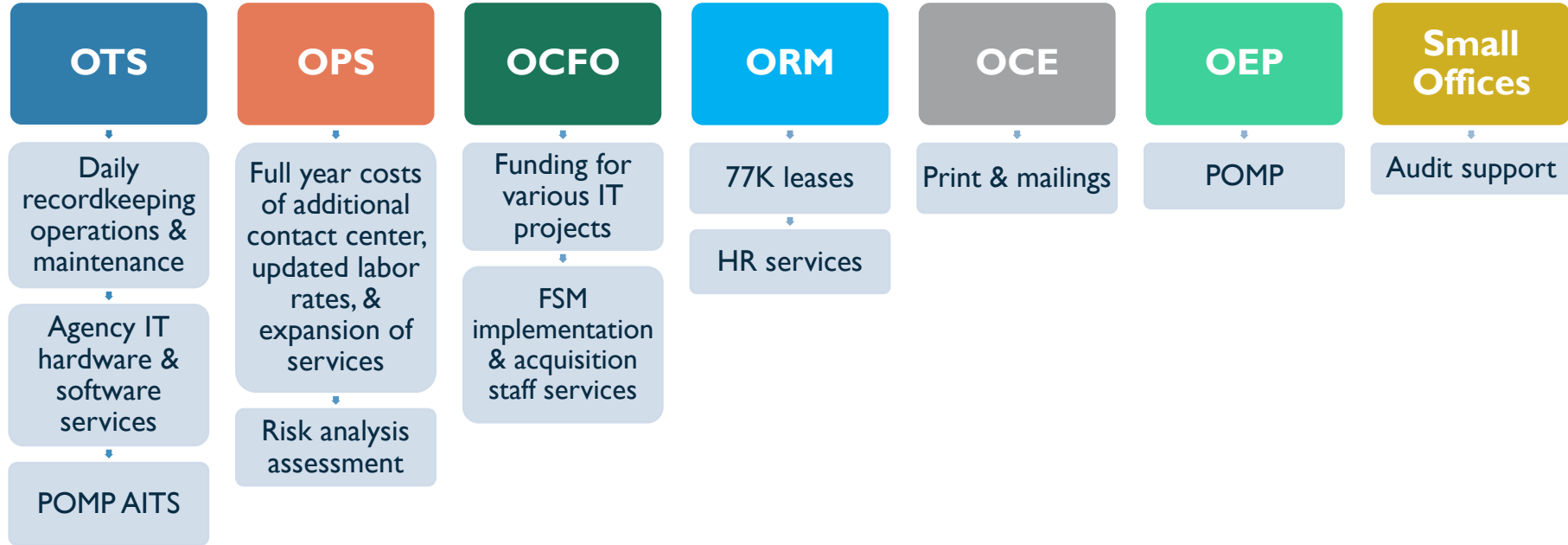


**Budget to Assets Ratio
in Gross Basis Points**

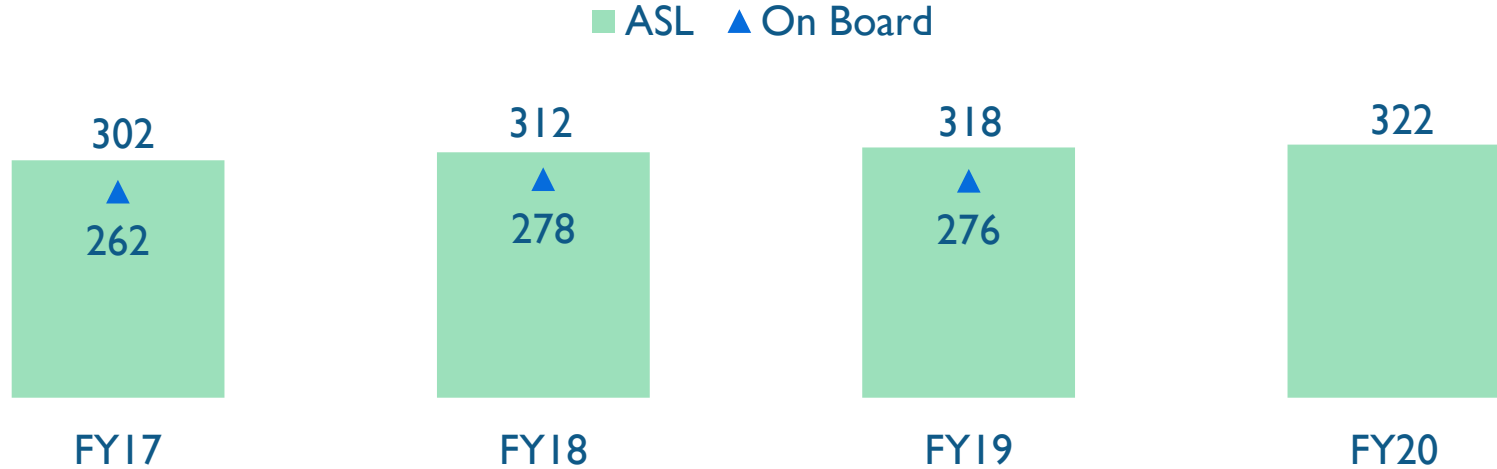


* Gross and Net expenses are charged per calendar year. Actual gross and net expenses ratios for CY 2017 were 4.6 and 3.3, respectively. Actual gross and net expenses ratios for CY 2018 were 5.2 and 4.0, respectively.

FY 2020 Budget Cost Drivers by Offices

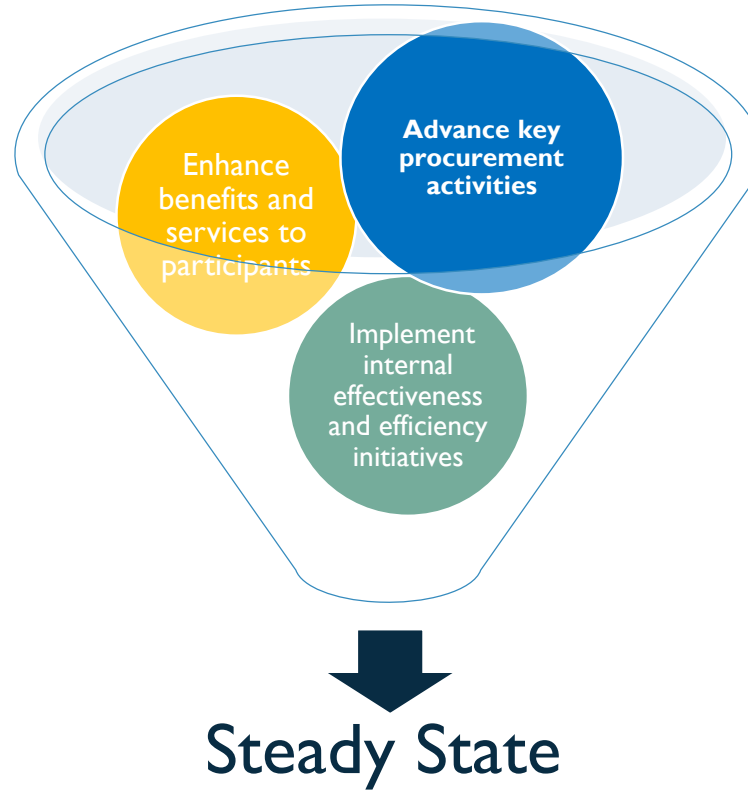


Authorized Staffing Level (ASL)



- The Agency's FY 2019 ASL is 318 employees
- FY 2019 onboard staff as of July 31, 2019 is 276
- Projected FY 2020 staffing level is 322

FY 2020 Key Agency Activities



FY 2020 Key Agency Activities

Advance Key Procurement Activities



Planned Actions



Expected Outcomes



RKSA



Deliver new recordkeeping, customer service, and Plan operations platform



FSM



Implement an integrated financial system



Managed Security Services



Improve security posture of the Agency



Multi Asset Manager



Ensure the TSP fund (excluding G Fund) will be managed by more than one investment firm



FY 2020 Key Agency Activities

Enhance benefits and services to participants



Planned Actions



Mandatory two-factor authentication



Lifecycle Funds in 5-year increments



5% default rate



Spillover project



TSP.gov website



Expected Outcomes



Further enhance the safety of participant accounts



Allow participants to better align their L Fund allocations



Enhance retirement outcomes for auto-enrolled participants



Automated catch-up contributions for participants aged 50 and over



Clean modern look, responsive design, simplified navigation, and conversational tone



FY 2020 Key Agency Activities

Implement internal effectiveness and efficiency initiatives



Planned Actions



Acquisition lifecycle



Expected Outcomes



Reduce time to market for procurements, ensure appropriate staffing and training, and improve requirements gathering



Agency internal controls



Build on and expand the assessment of key controls across the enterprise



Audit remediation



Direct resources towards risk mitigation and closing audit findings



Cybersecurity



Continue to assess and upgrade the Agency's IT infrastructure and applications

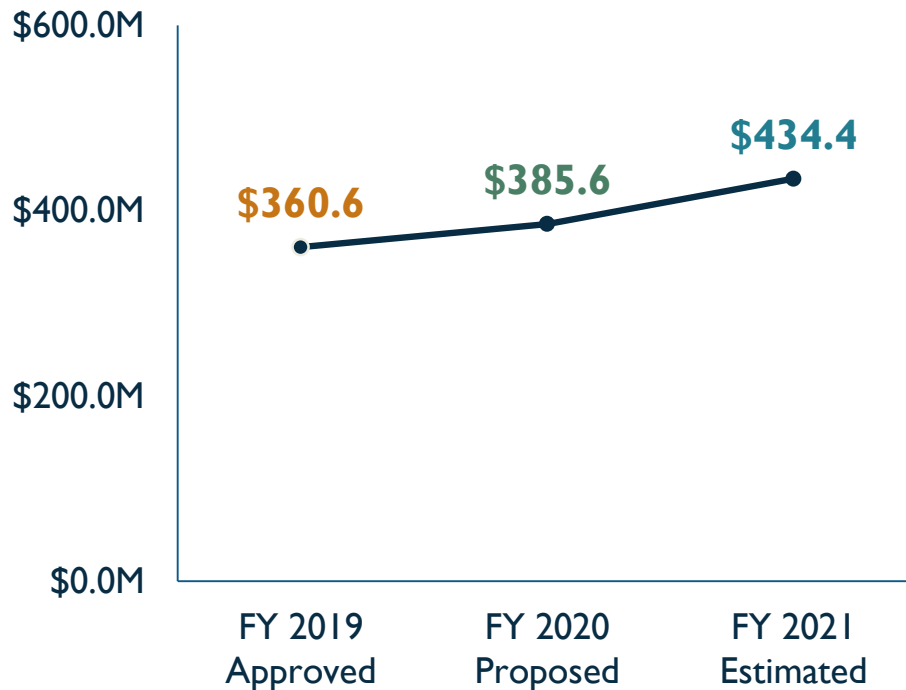


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FY 2019 – FY 2021 Budget Summary



Budget Summary

