THRIFT SAVINGS PLAN

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

MINUTES OF THE MEETING OF THE BOARD MEMBERS

October 19, 2009

Andrew M. Saul, Chairman of the Federal Retirement Thrift Investment Board convened a joint meeting of the Board members and the Employee Thrift Advisory Council on October 19, 2009, at 9:18 a.m., Eastern Time. The meeting was open to the public at the Board's offices at 1250 H Street, N.W., Washington, D.C. In attendance were, Thomas A. Fink of Alaska, Board Member; Alejandro M. Sanchez of Florida, Board Member; Gordon J. Whiting of New York, Board Member; Gregory T. Long, Executive Director; Thomas K. Emswiler, Secretary and General Counsel; Mark A. Hagerty, Chief Information Officer; Pamela-Jeanne Moran, Director, Participant Services; James B. Petrick, Chief Financial Officer; Tracey A. Ray, Chief Investment Officer; Thomas J. Trabucco, Director, External Affairs; and Renée Wilder, Director, Research and Strategic Planning; James Sauber, NALC, Chairman; Dick Strombotne, SEA, Council Member; Jessica Klement, FMA, Council Member; Dick Ostergren, NARFE, Council Member; Don Svendsen, OSD, Council Member; Rhonda Trent, FEW, Council Member; Charles Mapa, NLPUS, Council Member; Paul Schwartz, NRLCA, Council Member; Myke Reid, APWU, Council Member; Jai Atkins, APWU, Council Member; Dave Holway, NAGE, Council Member; Kathy Ball, NEU, Council Member; Beth Moten, AFGE, Council Member.

1. Approval of the minutes of the September 24, 2009 Board member meeting.

Chairman Saul entertained a motion for approval of the minutes of the September 24, 2009 Board member meeting. The following motion was made, seconded, and adopted without objection:

> MOTION: That the minutes of the Board member meeting that was held on September 24, 2009, be approved.

2. Approval of the minutes of the April 22nd Employee Thrift Advisory Council meeting.

Chairman Sauber entertained a motion for approval of the minutes of the Employee Thrift Advisory Council meeting held on April 22, 2009. The motion was approved.

3. Moment of silence in memory of Richard N. Brown.

Chairman Saul and Chairman Sauber publicly recognized the loss of Rick Brown, who played a vital role in defending the interests of federal employees and protecting the Thrift Savings Plan. The Board members, the Council members, and the senior staff of the Federal Retirement Thrift Investment Board paused for a moment of silence in memory of Rick Brown.

4. Vice Chair of the Employee Thrift Advisory Council named.

Chairman Sauber explained that it would be in the Council's interest to have a formal Vice Chair position and noted that Dick Ostergren, from NARFE, volunteered to serve as the Vice Chair. Chairman Sauber asked if any other Council members would like to volunteer for the position of Vice Chair and, if not, whether it would be acceptable to allow Dick Ostergren to serve in that position. The Council members agreed by unanimous nods of assent that Dick Ostergren would serve as Vice Chair.

5. Thrift Savings Plan activity report by the Executive Director.

a. Participant Activity Report

Ms. Wilder reviewed the report on TSP statistics. See "Thrift Savings Fund Statistics" (attached). For the month of September, assets under management for the TSP exceeded $234 billion. That number exceeds the previous high, which was in May of 2008, and is a reflection of the impact of continuing contributions. The number of participants is just over 4.2 million, and 1.8 million of those participants are active FERS participants. The FERS' participation rate is up by over 100,000 since June, and that is a reflection of immediate agency contributions.

Mr. Sanchez observed that the Active Duty Army participation rate is getting close to 30%. He is disappointed that the Active Duty Army participation rate is low compared to the Navy's and the Air Force's, and he wishes the staff at the Agency could talk to freshman classes at military academies, like West Point, about the TSP. Mr. Long explained that he and his senior staff have asked to no avail to promote the TSP at military academies. He further explained that the Agency is taking a top-down approach to promoting the TSP to uniformed services members because success really depends on the support from the uniformed services leadership. Mr. Long noted that Tom Emswiler has had some success with trying to build a groundswell through JAG, and that Penny Moran's liaison group promotes the TSP at bases around the country. Mr. Sanchez thanked Mr. Long for his efforts and noted that the uniformed services participation rates are increasing.

b. Quarterly Investment Performance Report

Ms. Ray reviewed the October 9, 2009 memorandum (attached), entitled "September 2009 Performance Review." BGI's small-mid cap fund outperformed its index by 11 basis points during the month of September. Year-to-date, the small-mid cap fund has a tracking error of negative 197 basis points. This is related to the optimization program used in the fund and the fact that the index contains some limited partnerships that most pension funds are prohibited by law from owning. By December, BGI fund will be able to track the index much more closely because these limited partnerships are coming out of the index.

The BGI large cap fund has a year-to-date positive tracking error of 19 basis points. That is primarily from money received from class action settlements.

The International (I) Fund has a year-to-date tracking error of negative 165 basis points, which is due to a fair value adjustment made to reflect changes that occur in the domestic market after the foreign markets close. But for the fair-value adjustment, the I Fund would be outperforming its index by about 50 basis points.

The trading costs of the funds, as well as the overall dollar amount traded, have gone down since the TSP implemented the Interfund Transfer Limitation Program.

Mr. Strombotne interjected to ask why the G Fund appears to have relatively higher administrative costs than the other funds. Mr. Long explained that the administrative costs are allocated across all of the funds, that the G fund has the same expenses as any other fund, and that what appears to be a difference in costs is due to the timing of when the expenses are applied.

The G Fund is yielding 3%. The G Fund is paying 3% even though the three-month T-bill is yielding only .08 percent because the G Fund is the average of the Treasury yields greater than four years to maturity. Therefore, the G Fund it is more reflective of the 10 year T-note and 30 year T-bond than it is reflective of the three-month T-bill.

In September, the S Fund was up almost 6%, the I Fund was up 3.8%, and the C Fund was up 3.7%. The L funds performed well in September, with the 2040 Fund returning over 3.5%. Because the 2040 L Fund has the most equity exposure, it performs the best in a strong market relative to the other L Funds.

Ms. Ray noted that an independent audit shows that BGI voted all of its proxies in line with their own proxy guidelines.

The members then revisited the Board's investment policy and made, seconded, and adopted the following resolution by unanimous vote:

RESOLUTION

WHEREAS the Federal Employees' Retirement System Act of 1986, as amended (5 U.S.C. § 8401 et seq.) provides that the Board members shall establish policies for the investment and management of the Thrift Savings Fund (5 U.S.C. § 8472(f)(1) and (2)); and

WHEREAS the Board members at this meeting have reviewed the investment performance and investment policies of the Government Securities Investment Fund, the Fixed Income Index Investment Fund, the Common Stock Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund; and

WHEREAS the Board members are satisfied with the investment performance and investment policies of these Funds;

NOW THEREFORE BE IT RESOLVED that the current investment policies for the Government Securities Investment Fund, the Fixed Income Index Investment Fund, the Common Stock Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund are affirmed without change.

c. Mid-Year Financial Review

Mr. Petrick introduced the TSP's team of independent auditors from Clifton Gunderson who were in attendance to present the results for their mid-year review: Marie Caputo, Audit Partner; Bill Oliver, Quality Assurance Partner; Bob Halpin, IT Senior Manager; and Heather Plitt, Financial Audit Manager.

Ms. Caputo directed attention to an October 19, 2009 presentation, entitled "Federal Retirement Thrift Investment Board" (attached) and the "Thrift Savings Fund Financial Statements" (attached), which is accompanied by an Accountant's Report. The mid-year review is more limited in scope than a full and complete audit. The review consists primarily of inquiries of Agency personnel and analytical procedures applied to financial data for the six months ending June 30, 2009 to determine whether there are any material departures from Generally Accepted Accounting Principles. Based on the audit team's review, they are not aware of any material modifications that should be made to the 2009 financial statements in order for them to be in conformity with Generally Accepted Accounting Principles.

Mr. Halpin then discussed six findings related to information technology. First, the Agency is on track toward defining system boundaries which will identify major application and general support systems certification and accreditation efforts. Second, Agency is expected to formalize IT policies and procedures by December 2009. Third, the Agency has initiated background investigations for the Office of Finance staff. The Agency anticipates background investigations to be completed for all employees during calendar year 2010. To date, the Agency has performed background check on 11 employees. Fourth, the Agency expects to have recommended updates made to configuration management policies by the end of February 2010. Fifth, the Agency is in the process of formalizing SOPs related to password controls. Lastly, the audit team determined that recommended updates will have been made to the configuration management policies and the baselining of various systems by February 2010.

Chairman Sauber asked whether the background investigations are a new standard, whether background checks are a legal requirement, and whether the background checks are limited to key employees. Mr. Halpin explained that requiring background check is a best practice considering the sensitivity of the data being handled by TSP employees. Mr. Long added that his staff is endeavoring to identify the risk level and appropriate security background check for each staff position in the Agency based on sensitivity of the data or assets handled by the person in that position. Ms. Caputo does not recall any comments regarding the necessity for background checks in any prior audits done before or after Clifton Gunderson began auditing the Agency. Mr. Halpin also confirmed that this was the first year the audit team has reported on background investigations.

At this point, Mr. Halpin turned the discussion over to Ms. Plitt, who addressed the audit findings related to internal control of financial reporting. She observed that the Agency has included the disclosures required by FASB Statement Number 157 in its semiannual and annual financial statements, has begun to formally document reviews of SAS 70 reports, and has formally documented the risk of improper investment valuation in its response to OMB Circular A-123, Appendix A.

Ms. Caputo then reviewed the audit plan. She mentioned that the audit team has another IT audit partner named George Baum who was not present and explained that information technology controls are an important part of an audit opinion because it is integral to the financial reporting process. The audit team is working in tandem with Mr. Halpin and George Baum to minimize risks across information technology controls as well as through manual control evaluations.

The audit team is in its second year of a five year contract and will be performing an audit of the financial statements as of December 31, 2009 through March 2010. The audit team is accelerating its start time in order to get a firm foundation sooner than they were able to last year. The audit team will ultimately present an opinion as to whether or not the audit team feels that the Agency's financial statements are presented in all material respects, in accordance with Generally Accepted Accounting Principles.

Mr. Reid inquired about the meaning of the following statement on page 14 of the presentation: "The audit is designed to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatements." Ms. Caputo explained that this is standard language expressing the fact that an audit opinion cannot feasibly provide a 100% guarantee of accuracy. Mr. Long added that it is his responsibility and the Agency's responsibility to ensure that financially statements are accurate.

Chairman Saul noted that the Board does not have a formal Audit Committee because it consists of only five members. He invited the audit team to contact any of the Board members immediately should the audit team discover anything that needs to be brought to the attention of the Board members. Ms. Caputo remarked that the audit team will remain similarly accessible to the Board members.

Mr. Sanchez asked the audit team if there is anything else they would like to share that has not been included in their presentation, either orally or in writing. Ms. Caputo said the team had nothing further to share and then Mr. Sanchez and Mr. Saul thanked the audit team for their presentation.

d. Quarterly Vendor Financial Report

Mr. Petrick reviewed the October 9, 2009 memorandum (attached), entitled "Quarterly Financial Assessment of TSP's Primary Vendors – October 2009." Serco Group, which performs IT software development and maintenance services for the TSP, continues to show strong growth and stability. They have a net income of $61 million and recently won several key Defense Department contracts.

In the fourth quarter of 2009, the Agency's contract for investment management services will move from Barclay's to BlackRock, Inc. Therefore, the quarterly vendor financial report provides the financials of both Barclays and BlackRock. Mr. Petrick noted that the sale of BGI to BlackRock is on schedule. He further mentioned that Barclays is unique among many banks because it did not take British Government aid in the past year.

With the acquisition of BGI, BlackRock will be the largest manager of investment assets in the world. BlackRock was profitable in the first half of 2009, though its income was down.

Chairman Sauber interjected to ask what drove the merger of BGI and BlackRock. Mr. Long explained that the merger provided substantial capital to Barclays. He further explained that one of the reasons the merger makes sense is that there is little crossover because BlackRock is primarily an active manager, which hires people to make decisions one what stocks and bonds to buy, whereas BGI is primarily a passive, scientifically-driven manager. Chairman Saul added that BlackRock is a management company that does not actively invest its own capital and that Barclays will own 19.9 percent of the merged operation.

Ms. Trent inquired about the type of contract the Agency has with Barclays and whether it is performance-based. Ms. Ray explained that the Agency has a three year contract with Barclays that is not performance-based. Chairman Saul and Mr. Whiting assured the Council that Ms. Ray and the other senior staff at the Agency monitor BGI's performance on a daily basis and that monthly reports on the performance of BGI versus the index operate as a built-in performance measure. Mr. Sanchez noted that the President of BGI has met with the Board on several occasions. Mr. Whiting also noted that the Agency can cancel the contract at any time. Mr. Saul then reiterated that BGI and BlackRock are both first-class companies with extraordinarily good reputations in their business.

Mr. Petrick turned to the financial report for Switch & Data, which provides housing for the TSP's Data Center and Backup Data Center operations. Although Switch & Data has had several years of unprofitability in the past, it has improved its business model and managed to turn a profit in these rather difficult economic circumstances. Mr. Petrick also noted that Switch & Data continues to obtain financing for its operations, including a $100 million line of credit as recently as September.

Mr. Petrick then turned to R.R. Donnelley, which provides the TSP's printing services. There is little risk in contracting with R.R. Donnelley because is the largest printing company in the United States. It also has many competitors and, therefore, it would be relatively easy to get a contract with another company to accommodate our printing needs.

Met Life reported an uncharacteristic $2 billion loss for the first half of 2009. However, almost all of the loss was due to a write-down of investment assets. Met Life continues to be the largest annuity provider in the United States and is still receiving top ratings from all of the rating agencies.

Mr. Petrick noted that the Agency also contracts with a closely-held company called Active Network to run its Frostburg Call Center. He explained that because Active Network is a closely-held company, its financial situation is not discussed at public meetings. He assured the Board that there is nothing in the Active Network financials that causes any concern.

e. Thrift Savings Plan Enhancement Act Review

Mr. Long reported on the changes made by the Thrift Savings Plan Enhancement Act. This legislation authorized immediate 1% agency contributions and matching contributions. Whereas before this law went into effect newly employees had to wait six to twelve months before receiving agency contributions, they can now begin receiving agency contributionsimmediately upon hire. This provision is now fully implemented.

The Agency is in the process of implementing the automatic enrollment feature that was authorized by the Thrift Savings Plan Enhancement Act. Newly hired employees will soon be automatically enrolled in the TSP at a 3% contribution rate. They can opt out of contributions or select a higher contribution rate at any time.

Mr. Mapa asked how the Agency will determine to which funds the automatic contributions will be allocated. Mr. Long explained that the investment allocation rate is always up to the participants but that, in the absence of a participant-selected allocation, automatic contributions will be allocated to the G Fund. Mr. Long recalled that there had been some discussion about making the Life Cycle Fund the default fund for automatic contributions, but that was removed from the legislation. The Agency expects the automatic enrollment feature to be fully implemented by the end of June 2010.

Mr. Long then commented on the inclusion of a provision that allows spouse beneficiaries to leave the money that they inherit in the TSP. he Agency expects to have this feature implemented by June of next year. Mr. Strombotne thanked the Board for making it possible for surviving spouses to become the owners of their deceased spouses' accounts. He is pleased to see that the Agency is moving so quickly to make this possible.

Mr. Long referred the Board and the Council members to a September 14, 2009 memorandum (attached), entitled "Spousal Accounts-Interim Manual Procedures." He then turned asked Ms. Moran to comment on the Agency's interim procedure for establishing spousal accounts.

Ms. Moran explained that the Agency has developed an interim procedure for establishing spousal accounts to give participants an opportunity to take advantage of this great benefit sooner rather than having to wait until perhaps June of next year. If a spouse has a death benefit pending for them, the Agency is going to move it to the G Fund and put it on hold to ensure that it does not lose any money while the Agency establishes the spouse beneficiary accounts. This will protect the spouse's benefits until the Agency can establish an account in the spouse's name where they will be able to do interfund transfers, manage the investments, and take advantage of the multiple withdrawal options that the TSP provides them.

Mr. Strombotne asked whether the allocation of funds will be held constant when the transfer to a spousal beneficiary account is made. Ms. Moran reiterated that the money would initially be moved to the G Fund upon notification of the participant's death and that the surviving spouse will be able to make his or her own investment allocation decisions once the spousal account is established.

Ms. Klement asked Ms. Moran when she anticipated the spousal accounts being established, and Ms. Moran responded that she expected them to be established in June of 2010.

Chairman Sauber asked whether the Agency will still go through the process of putting the funds in the G Fund after the spousal accounts are set up in

June or whether there will come a point when the spouse could just keep the allocation as it was when the spouse inherited the account. Ms. Moran said that the Agency must put the funds into the G Fund automatically upon receiving a death notification while the Agency sorts out the beneficiaries and what kind of payment options they want.

Mr. Long discussed the Roth feature. The Roth features allows the participant to choose between pre-tax and post-tax contributions. All of the Agency's internal systems as well as the payroll systems need to be modified to allow participants to make post-tax contributions. The Agency anticipates that it will take about two years to implement the Roth feature and will report on its progress on an ongoing basis. The Roth feature is a significant benefit, especially to the youngest participants and the uniformed services.

f. Report on Making Retirement Contributions from Unused Leave

Mr. Long then asked Mr. Trabucco to spend a few minutes talking about retirement contributions legislation. Mr. Trabucco called attention to two sentences in the "September 5th Radio Address by President Barack Obama" (attached) which promised to make it possible for employees to put payments for unused vacation and sick leave into their retirement plans. He then referred to Board and Council members to an October 15, 2009 memorandum (attached), entitled "Contributions of Unused Leave to the TSP," which analyzes two recent IRS Revenue Rulings pertaining to contributions of unused annual and sick leave to employee benefit plans.

Mr. Trabucco digressed for a moment to mention that since Chuck Witschonke retired, Don Svendsen was sitting in to participate on behalf of the uniformed services. He then introduced Steve Gailing who will be taking Mr. Witschonke's place. Mr. Trabucco also noted the presence of Jill Crissman who is a professional staff member on Congressman Lynch's Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia.

Mr. Trabucco then explained that the law currently does not allow Federal employees to contribute the dollar value of unused annual leave to the TSP. This presents the Board and the Council with a potential future legislative change to consider. Ms. Ball commented that it would be worthwhile to seek such a legislative change. Mr. Ostergren agreed.

Mr. Mapa asked why Mr. Trabucco's discussion concentrated less on sick leave, and asked whether he was addressing only leave that could be cashed in at the end of the year. Mr. Trabucco confirmed that the key is that annual leave is distinguishable from sick leave because federal employees cannot receive a cash payment for unused sick leave. Ms. Ball noted that the IRS Revenue Rulings make it clear that federal government sick leave plan is different from the type of leave plan discussed in the Revenue Rulings because the type of plan described in the Revenue Rulings offers a payout for sick leave on an annual basis.

Chairman Sauber offered to raise the issue of allowing the federal employees to contribute unused leave to the TSP in his testimony before Congress. Mr. Strombotne then shared an anecdote about a retiree whose annual leave statement pushed her into another income tax bracket and, as a result, caused her to fail the Medicare means test. If this retiree had the option of putting unused annual leave into her retirement account, she could have saved on Medicare premiums in addition to deferring taxes.

Mr. Trabucco noted that contribution of the value of unused leave would still be subject to the annual elective deferral limit. If the retiree in Mr. Strombotne's anecdote retired in the last quarter of the last year and had made contributions all year, she might still have been prevented from contributing the value of her unused leave. On the other hand, many people retire right at the end of the year, which would push the contribution into the following year.

Chairman Saul commended Mr. Trabucco his work over the last year to help make sure the Thrift Savings Plan Enhancement Act passed with most of the provisions that the Board and ETAC wanted.

g. TSP Modernization Update

Mr. Hagerty updated the Board and Council members on the TSP's modernization efforts. He directed attention to a slide entitled "October 2009 Update."

Mr. Hagerty recalled that in September 2007, as the Board approached 2008 fiscal budget planning, he had anticipated an expenditure of just over $15.1 million in capital investments that would supply the TSP with new mainframes, a new server environment, new network infrastructure, and new storage subsystems.

Over the last two years, the Agency has installed and implemented new mainframes at both the primary and backup data centers. The Agency also achieved new network redesign with a fifteenfold increase in capacity in the network environment and redundant communication on all mission-critical links.

The Agency is also migrating single-point-of-use servers into a virtual server environment using VMware and Blade technology. This will give the Agency some dynamic ability to reallocate its resources to serve the needs of participants in the event that there are surge issues with the environment.

The Agency has completely replaced almost all of the storage subsystems with leading-edge technology and with a redundant array of independent disks, which will prevent the loss of data in the event that one subsystem fails. The Agency still has its primary and backup data centers in Western Pennsylvania.

The $15.1 million estimated investment ultimately cost approximately $17.87 million. This increase was due in part to an increase in cost of the operating systems that run the mainframes. All these capital investments have been made as of September 30th, 2009.

Mr. Hagerty noted that the Agency is also planning an e-mail consolidation initiative to better protect personally-identifiable information, as well as an upgrade to the Interactive Voice Response Systems at the call centers.

Mr. Hagerty also mentioned that the Agency just finished a major upgrade to Omni-Plus--the commercial, off-the-shelf application from Sunguard, which is the core of the Agency's recordkeeping system. This upgrade is the culmination of about a year and a half of planning and testing. The upgraded software will assist in the implementation of several of new legislative initiatives that Mr. Long just discussed.

The Agency also anticipates implementing a feature called OmniPay this year. This feature will allow the Agency to do automated tax reporting. Mr. Long commented that the software upgrades described by Mr. Hagerty were a necessary precursor to implementing the Roth program.

Mr. Saul asked Mr. Roy Friend, Deputy CIO for Operations and Ms. Susan Smith, Deputy CIO for Applications to stand for recognition. He then emphasized the importance of investing in IT modernization and data security. Only seven years ago, the Agency had no backup systems and antiquated recordkeeping systems. Today the Agency is making investments in the future of the TSP. Much of the increase in the Agency's budget this year went toward software and hardware.

Mr. Sanchez added that under Mr. Long's leadership, Mr. Hagerty's team is making sure that the Agency has the right systems to handle and safely secure data for the TSP's more than 4.2 million participants.

h. TSP Website Demonstration

Mr. Long noted that the Agency's primary interaction with TSP participants is through its website. He then turned the floor to Ms. Wilder and Ms. Moran to discuss the Agency's initiative to revamp its website.

Ms. Wilder explained that the Agency has endeavored to design a more contemporary website because the current website is relatively difficult to navigate and its look is fairly dated. The Agency anticipates that the new website will go live in the first calendar quarter of 2010.

The Agency will launch a beta site in November to give participants an opportunity to provide feedback on the site. Every 500th person leaving account access on the current website will be invited to view the beta site and fill out a survey. The survey will close after 5,000 responses.

Ms. Moran identified Ms. Veronica Mance as one of the point persons coordinating the website redesign activities, Mr. Alvin Thornton as the person coordinating the technical issues involved in redesigning the website, and Mr. Donald Ferracci as the communications point of contact.

Ms. Wilder and Ms. Moran then demonstrated various sections of the beta site. Some of the notable features of the new website include a dynamic banner; a quick-looks area that will allow participants to easily access the most often used items, a security feature that allows participant's to know when they were last logged into the website; a section with a Message from the Executive Director that will allow personal interface with participants on the web; a bulletin board; a press room; special section for agency representatives; a glossary of terms; a Planning and Tools section which contains a number of calculators available to participants; a Life Events section that offers tailored guidance based on significant events such as marriage, death, and military deployment; and a Message Center that will allow participants to ask questions about their accounts via the website.

Mr. Strombotne asked whether someone who uses dial-up has been included in the testing team for the new website. He noted that complicated graphics are often difficult for dial-up users to access. Ms. Moran remarked that she does phone testing and that, as work on the website progresses, she will be reminded that there are still people using dial-up.

Mr. Long expects that, even though the new website will be better, faster, and easier than the current website, the Agency will initially receive some complaints from participants until they become familiar with navigating the new website.

Mr. Strombotne asked whether the website will display a confirmation number on printed reports of transactions conducted via the website. Ms. Moran said that her staff has talked about using confirmation numbers, but had not yet reached a resolution.

After Ms. Wilder and Ms. Moran finished the demonstration of the new website, Mr. Reid described the website as fantastic, attractive, detailed, and comprehensive. Ms. Trent said that it looks like it is going to improve accessibility.

Ms. Trent asked whether the website is 508-compliant and whether the Agency will target handicapped participants in its demo base. Mr. Long confirmed that the Agency has spent a good amount of resources to ensure that the website is

508-compliant and that the Agency has on its testing team people with vision impairments, as well as the handicapped.

Mr. Reid asked whether the beta site is connected to the database such that visitors to the beta site could access their account. Ms. Wilder responded that there will not be live information.

Chairman Saul inquired about the timetable for the beta site. Mr. Long and Ms. Wilder said that the beta site will go up for testing next month and that the old website will come down in February or March in 2010. Ms. Moran explained that the timetable depends, to some extent, on the feedback the Agency gets from the beta site.

Mr. Strombotne inquired about the new website's capabilities with respect to presenting data in table and graphical form as the user wishes. Ms. Moran explained the website contains both tabular and graphical representations, but that a feature which would allow a participant to take a table and turn it into a graph has not yet been considered.

i. Miscellaneous Matters

Upon the conclusion of the website demonstration, Mr. Long asked if there are any other topics that anyone wanted to raise as new business.

Mr. Fink wanted to know the relationship between Social Security and a 2.7 pay increase figure that Mr. Long referred to in a previous meeting. Chairman Sauber noted that Social Security is based on the Consumer Price Index, and Ms. Ball explained that the 2.7 figure represents the employment cost index. Mr. Ostergren noted that the Administration as well as the House and Senate Democratic leadership are supporting a one-time, $250 payment to all Social Security beneficiaries and that his organization has been working on ensuring that CSRS annuitants, who never participated in Social Security, can also get some form of compensation such as a $250 refundable tax credit.

Mr. Strombotne asked whether the Board is considering a mutual fund window in the future. Mr. Long stated that the Agency is currently taking no action on a mutual fund window, and the Agency will continue take no action unless or until members of the Employee Thrift Advisory Committee express comfort with it.

Chairman Saul commended Mr. Long and the senior staff of the Federal Retirement Thrift Investment Board for their dedication and hard work. Chairman Sauber agreed and also thanked the members of the Board for serving past their terms.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Chairman Saul adjourned the meeting at 12:02 p.m.

MOTION: That this meeting be adjourned.

Thomas K. Emswiler
Secretary

Attachments
1. Thrift Savings Fund Statistics
2. September 2009 Performance Review – G, F, C, S, I, and L Funds
3. Federal Retirement Thrift Investment Board – Clifton Gunderson Presentation, October 19, 2009.
4. Thrift Savings Fund Financial Statements accompanied by an Accountant's Report
5. Quarterly Financial Assessment of TSP's Primary Vendors – October 2009
6. Spousal Accounts – Interim Manual Procedures, Memorandum for G. Long, Executive Director from P. Moran, Director of Participant Services. September 14, 2009.
7. September 5th Radio Address by President Barack Obama
8. Contributions of Unused Sick Leave, Memorandum for T. Emswiler, General Counsel from L. Stokes, Assistant General Counsel, October 15, 2009.
9. October 2009 Status Update, Office of Automated Systems