PARTICIPANT BEHAVIOR AND DEMOGRAPHICS

Analysis of 2006 - 2010
DATA COLLECTION

- Data for years 2006 – 2010
- Extracts from TSP and OPM records
- Presentation focuses on FERS population
- Approx. 2.5 million records were matched, excluding
  - Uniformed Services
  - Separated participants
  - Employees of the Legislative and Judicial Branches
  - Participants with incomplete data
  - Part-time and intermittent employees
- Gender, race, employment grade and education are not reported in this analysis
- Data is presented as of year-end
FERS PARTICIPATION RATES

FERS Participation = Contributing FERS participants
                    __________________________
                    (Contributing FERS participants
                     +
                     Agency 1% automatic contribution only)

Eligible universe = (Contributing FERS participants + Agency 1% automatic contribution only)
Feb 2009 – market low
June 2009 – immediate contributions
August 2010 – automatic enrollment
FERS PARTICIPATION RATES BY AGE (2010)

<table>
<thead>
<tr>
<th>Age</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>85%</td>
</tr>
<tr>
<td>&lt;= 29</td>
<td>70%</td>
</tr>
<tr>
<td>30 - 39</td>
<td>80%</td>
</tr>
<tr>
<td>40 - 49</td>
<td>85%</td>
</tr>
<tr>
<td>50 - 59</td>
<td>90%</td>
</tr>
<tr>
<td>60 - 69</td>
<td>95%</td>
</tr>
<tr>
<td>70+</td>
<td>90%</td>
</tr>
</tbody>
</table>

2010
FERS PARTICIPATION RATES BY AGE (2006-2010)
FERS PARTICIPATION RATES BY TENURE (2006-2010)
FERS PARTICIPATION BY SALARY (2010)
FERS PARTICIPATION BY SALARY

![Bar chart showing participation rate by pay quintile over the years 2006 to 2010. The chart compares participation rates for all employees and for different quintiles of pay. The highest participation rates are observed for Q1 Lowest Paid, followed by Q2 Lower Paid, Q3 Mid-Range, Q4 Higher Paid, and Q5 Highest Paid. The participation rates for each quintile show slight variations across the years, with Q1 Lowest Paid consistently having the highest rate and Q5 Highest Paid having the lowest rate. The chart highlights the trend of participation rates over the years.]
FERS DEFERRAL RATES

- Calculated for this analysis

Deferral rate = Total annual contribution

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Annual base salary
FERS DEFERRAL RATES (2010)
FERS DEFERRAL RATES (2010)

FERS Salary Deferral Contribution By Pay Quintile

- All
- Q1 Lowest Paid
- Q2 Lower Paid
- Q3 Mid-Range
- Q4 Higher Paid
- Q5 Highest Paid

Salary Deferral

Pay Quintile

0%
1%
2%
3%
4%
5%
6%
7%
8%
9%
10%
11%
12%

2010
FERS DEFERRAL RATES BY PAY

FERS Salary Deferral Contribution By Pay Quintile

<table>
<thead>
<tr>
<th>Pay Quintile</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 Lowest Paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Q2 Lower paid</td>
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<td></td>
<td></td>
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<tr>
<td>Q3 Mid-Range</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Q4 Higher Paid</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Q5 Highest Paid</td>
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</tbody>
</table>

Salary Deferral
FERS DEFERRAL RATES BY TENURE (2010)
INVESTMENT ALLOCATION BY TENURE

[Bar chart showing investment allocation by tenure for different funds: I Fund, S Fund, C Fund, F Fund, G Fund, and Lifecycle Funds. Each bar is divided into segments representing different tenure periods: Less Than 2 Years, 2-5 Years, 6-10 Years, 11-20 Years, and 21 Plus Years.]
INVESTMENT ALLOCATION BY L FUND (2010)
TSP participation rates are strong
Deferral rates overall are declining
The younger population appears to be less engaged than older participants
  + disproportionate allocation to the G Fund
  + likely a reflection of the default option
Lower paid participants are deferring at rates allowing them to take full advantage of matching contributions
WHAT’S NEXT?

- Run sequential data match with OPM for 2011 and 2012
- Additional data elements for gender, race, employment grade level and education will be analyzed in the 2012 Demographics Report
- Run parallel data match with DoD for 2006 – 2012 (above data elements to be included)
- Data and security agreements being reviewed