1. Approval of the Minutes of the August 24, 2021 Board Meeting.

Acting Chairperson Jones entertained a motion for approval of the minutes of the August 24, 2021 Board meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board meeting held on August 24, 2021 be approved.

2. Monthly Reports.

Mr. Deo gave opening remarks, including a brief summary of the agenda for the meeting.

a. Participant Activity Report

Mr. Ramos reviewed the monthly Participant Activity Report. See [Thrift Savings Fund Statistics August 2021](#) (attached). Mr. Ramos reported that the projected post-separation, full withdrawal totals for 2021 are trending 26 percent higher than in 2020; however, they are 4 percent lower when compared to 2019. Mr. Ramos stated that these fluctuations are due to a combination of the implementation of additional withdrawal options, the CARES Act and pent-up demand for withdrawals resulting from COVID-19. Mr. Ramos expects that it will take additional time post-pandemic to establish a normal baseline.
b. Investment Performance Report

Mr. McCaffrey reviewed the monthly investment performance report. See "August 2021 Performance Review" (attached).

For the month of August, Mr. McCaffrey reported that BlackRock’s performance for the F, C, S, and I Funds was in line with the Funds' respective indices for the month. BlackRock manages most, but not all of the F, C, and S Funds.

State Street manages portions of the F Fund, the C Fund, and the S Fund. State Street’s performance for portions of the F, C, and S Funds was in line with their respective indices.

Regarding the August markets, Mr. McCaffrey reported that equity markets gained despite the continuing pandemic, as investors welcomed news of employment growth. Consumer prices rose at a slower rate, suggesting that some inflationary pressures may have been transitory. The Federal Reserve signaled an intent to scale back a portion of monetary accommodation if the economy continues to recover.

The C, S, and I Funds held gains for the month. The F Fund had a slight loss, as longer-term interest rates edged higher. All the L Funds rose.

BlackRock’s year-to-date performance for the F Fund was ahead of the Fixed Income Index by 18 basis points, primarily due to securities lending. Its performance for the C Fund was in line with the Large Cap Index. For the S Fund, BlackRock’s performance exceeded the Small Mid Cap Index by eight basis points, primarily resulting from securities lending. Its performance for the I Fund was ahead of the International Index by 15 basis points, primarily due to tax advantage.

For the current month through Monday, September 27, stocks are weaker. The C Fund is down 1.67 percent. The S Fund has a 0.55 percent loss, and the I Fund is off 0.61 percent. The F Fund also has a loss of 0.58 percent, and the G Fund is ahead by 0.1 percent.

c. Legislative Report

Ms. Weaver reported that the House of Representatives passed its fiscal year 2022 Department of Defense Authorization Bill. The Senate has put forward its version of the bill, and consideration will start in October. Ms. Weaver stated that neither bill has language relevant to the TSP, but her office will continue to monitor the progress of the bills.
Ms. Weaver reported that the reconciliation package that has been put forward in the House of Representatives has two provisions that apply to 401(k)s and the TSP. The first provision prohibits high income individuals with income greater than 400,000 dollars from making plan contributions if their aggregate retirement balances across all plans exceed 10,000,000 dollars. Ms. Weaver stated the Agency is not required to take any action but will monitor and educate participants as necessary.

The second provision concerns rollovers to Roth IRAs. Effective December 31, 2021, any participant, regardless of income level, who has a tax-exempt contribution in their traditional balance is prohibited from rolling over to a Roth IRA. The responsibility is on the receiving plan to not accept the prohibited rollover. Ms. Weaver stated that her office will monitor this provision because the Agency would need to communicate with participants to educate them on new requirements. Ms. Weaver’s office has reached out to the staff about the effective dates, and they have previously voiced concerns about the short-term implementation of these kinds of provisions; however, she does not anticipate changes.

Lastly, Ms. Weaver reported that there is a possibility that on October 1, all or part of the government will not be funded, and there will be a lapse in appropriations. She stated that Mr. Ramos’ office is preparing to support plan participants in the event of a shutdown. She noted that the FRTIB will continue to be open and operational because the Agency is not funded by annual appropriations.

3. **Quarterly Vendor Risk Management Report.**

Ms. Tosini presented the Office of Enterprise Risk Management's (OERM) synopsis of the risk assessment of 11 key vendors that are critical to operating the TSP. See "Quarterly Vendor Risk Assessment Q2 2021" (attached). Ms. Tosini reported that based on OERM’s analysis, all vendors will be able to fulfill their contractual obligations to FRTIB.

4. **Adjourn.**

Whereupon there being no further business, the following motion was made, seconded, and adopted without objection and Acting Chairperson Jones adjourned the meeting at 10:17 a.m.

**MOTION:** That this meeting be adjourned.

[Signature]

Dharmesh Vashee
General Counsel and Secretary
Attachments

1. Thrift Savings Fund Statistics August 2021
3. Quarterly Vendor Risk Assessment, Q2 2021