



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
77K Street, NE Washington, DC 20002

MINUTES OF THE MEETING OF THE BOARD MEMBERS AND THE EMPLOYEE  
THRIFT ADVISORY COUNCIL

May 29, 2025

Michael Gerber, Chair of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on May 29, 2025, at 10:00 a.m., Eastern Daylight Time. The meeting was held at the Board's offices at 77 K Street, NE and was open to the public via teleconference. In attendance were Dana Bilyeu of Oregon, member; Leona M. Bridges of California, member; Stacie Olivares of California, member; Suzanne Tosini, Acting Executive Director and Chief Operating Officer; Dharmesh Vashee, General Counsel and Secretary; Gisile Goethe, Director, Office of Resource Management; James Courtney, Director, Office of Participant Experience; Michael Jerue, Acting Chief Investment Officer; Thomas Brandt, Chief Risk Officer; Trevor Williams, Chief Financial Officer; James Kaplan, Director, Office of External Affairs; and Jason Boyd, Chief Information Officer.

In attendance for the Employee Thrift Advisory Council were Chair Jacqueline Simon (by telephone), American Federation of Government Employees; Vice Chair Althea Sprosta, Federally Employed Women; Cindy Renée Blythe, National Active and Retired Federal Employees (by telephone); Craig Carter, Federal Managers Association (by telephone); Neil Doherty, Senior Executives Association (by telephone); James Dunlap, United Postmasters and Managers of the United States; Ron Garner, Department of Defense; Michael Macho, American Postal Workers Union (by telephone); and Matt Sowards, National Treasury Employees Union (by telephone).

Welcome and Introductions.

Chair Gerber called to order the monthly meeting of the Federal Retirement Thrift Investment Board (FRTIB or Agency) at 10:00 a.m.

Chair Gerber welcomed the members of the Employee Thrift Advisory Council (ETAC). ETAC Member Ron Garner subsequently called to order the ETAC meeting. Chair Gerber welcomed everyone present to the joint FRTIB/ETAC meeting.

1. Approval of the Minutes of the April 22, 2025, Board Meeting and November 14, 2024, ETAC Meeting.

Chair Gerber entertained a motion for approval of the minutes of the April 22, 2025, Board meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board meeting held on April 22, 2025, be approved.

ETAC Member Garner entertained a motion for approval of the minutes of the November 14, 2024, ETAC meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the ETAC meeting held on November 14, 2024, be approved.

See "ETAC Meeting Minutes" (attached).

Ms. Tosini gave opening remarks and provided a summary of the agenda.

2. Monthly Reports.

a. Participant Activity Report

Mr. Courtney reviewed the monthly Participant Activity Report. See "Participant Activity Report May 2025" (attached). He reported that last month, the Thrift Savings Plan (TSP) issued quarterly statements to all participants, reflecting activity for the first three months of 2025.

In May, the TSP began with just over 7.25 million accounts, which is a new Plan high. The TSP remains the largest defined contribution plan in the United States and among the largest in the world.

Mr. Courtney noted that the TSP began offering a Roth TSP option for participants in May 2012. Today, nearly 40 percent of participants have some of their savings in Roth, which is also a new Plan high. Finally, Mr. Courtney previewed an update on Roth in-plan conversions.

b. Investment Report

Mr. Jerue reviewed the investment performance report for the month of April. See "April 2025 Investment Program Review" (attached). In April, both BlackRock's and State Street's performance for the F, C, and S Funds was in line with the Funds' respective indices. BlackRock's and State Street's performance for the I Fund trailed the International Index by 35 and 47 basis points respectively, primarily due to fair value pricing.

April saw increased volatility in the stock and bond markets as investors reacted to uncertainty surrounding international trade. The C and S Funds posted small losses. The I Fund finished higher, bolstered by a weaker U.S. dollar. The F Fund rose as longer-term interest rates fell. All L Funds posted positive returns for the month.

Mr. Jerue reported that for 2025 year-to-date performance through April 30, BlackRock's performance for the F, C, and S Funds was in line with the Funds'

respective indices. BlackRock's performance for the I Fund exceeded the International Index by 55 basis points, primarily due to fair value pricing.

Year-to-date performance for State Street's F and C Funds was in line with the Funds' respective indices. State Street's S Fund performance exceeded the Small Mid-Cap Index by four basis points, primarily due to securities sampling and lending. Through April, year-to-date performance for the I Fund exceeded the International Index by 42 basis points, primarily due to fair value pricing.

For the month of May through market close on May 28, 2025, the C Fund is up 5.87 percent; the S Fund is up 7.13 percent; the I Fund is up 4.52 percent; the F Fund is down 1.24 percent; and the G Fund is up 0.33 percent.

Mr. Jerue provided two updates regarding asset allocation. First, the C Fund continues to hold more participant assets than any other fund, with almost one-third of participant assets directly invested in the C Fund. Second, the share of participant assets invested in L Funds continues to climb, with L Funds accounting for just under 25 percent of participant assets, compared with 17 percent 10 years ago. This increased participation is likely due to automatic enrollment. As of April 30, 2025, approximately 54 percent of all participants had at least some assets in L Funds, with 39 percent of all participants holding all of their assets in one or more L Funds.

Finally, Mr. Jerue discussed the net effect of interfund transfer (IFT) rates during the month of April. The G Fund was the primary destination for net inflows, while the C, S, and L Funds were the primary sources of net outflows. The historical median for participants with at least one transfer between funds is two percent; however in April, a little over three percent of participants completed transfers. Despite higher market volatility, almost 97 percent of participants did not transfer between funds.

### c. Legislative Report

Mr. Kaplan provided the legislative update. The House of Representatives and Senate are on recess for district work periods and return next week. The House of Representatives passed the One Big Beautiful Bill Act of 2025 (OBBBA), which is pending Senate action. OBBBA included a four trillion dollar increase in the debt ceiling, which would allow the Department of Treasury to cease the use of extraordinary measures. Mr. Kaplan added that OBBBA contains provisions related to federal retirement benefits, but no provisions related to the TSP.

Mr. Kaplan added that Representative Eleanor Holmes Norton reintroduced legislation that would require the TSP to establish an Inspector General. While Representative Norton introduced similar legislation during the past two Congresses, this proposal has not received committee consideration. The Office of External Affairs (OEA) continues to monitor all proposals that could impact the TSP.

3. Quarterly Metrics Report.

Mr. Brandt provided an overview of the Agency's performance metrics for the second quarter of fiscal year (FY) 2025. See "FY25 Q2 Metrics Report" (attached). He reported that the Agency is on or above target for metrics in all areas.

4. OPE Annual Presentation.

Mr. Courtney provided the Office of Participant Experience (OPE) Annual Update. See "Office of Participant Experience Annual Report" (attached). Mr. Courtney highlighted the past few months as well as planned initiatives. OPE focuses on improving the participant experience through effective program operations, outreach, and external partnerships. Mr. Courtney thanked ETAC for the Council's role in facilitating the exchange of OPE communications through the quarterly information packet and for sharing participant feedback through OEA.

Mr. Courtney provided an overview of OPE's structure. The Front Office provides programmatic, budget, and contract support for three divisions. OPE's Relationship Building Division, including the TSP Training Team, serves as the liaison between the agencies and services and the recordkeeper. The Quality Management Division works to ensure that the participant experience is in line with the TSP's regulations, policies, and standards. The Content Creation Division is responsible for TSP messaging across various channels.

Mr. Courtney detailed improvements to OPE's returned payment and reissue process with a goal of better service to participants. Each month, about 2,000 disbursements – roughly one half of one percent – need to be reissued. Roughly half of those are electronic payments, Mr. Courtney stated. Previously, participants would have to contact the TSP to learn if the payment they requested had been returned as undeliverable. Now, the TSP will send a text or email to participants if the payment is returned, work with the participant to update their banking or postal information, and alert them when the payment is with Treasury for reissue.

Mr. Courtney described upcoming changes to Lifecycle Funds. Designed for participants born after 2009, the L 2075 Fund will launch at the end of June. At the same time, the L 2025 Fund is set to retire and will roll into the L Income Fund. While participants do not need to take any action, for awareness, OPE sent affected participants in the L 2025 Fund an alert related to this change.

Mr. Courtney then described several successful outreach campaigns. In April, the Agency received an award for its outreach campaign for participants under 35. The "Grow with the TSP Campaign," which shows how every one dollar can grow to 10 dollars after 35 years, won an Excellence in Financial Literacy award from the Institute

of Financial Literacy. This was a collaboration between the TSP's Chief Scientific Advisor, Dr. Elizabeth Perry, the Office of Investments, and OPE.

Another successful example of OPE's outreach is a recent campaign directed towards participants over 50. Between April and May, OPE sent one email per week to approximately 1.5 million participants with information related to withdrawals, Plan expenses and distributions, and goal setting. Mr. Courtney shared excerpts from the positive participant response, which included over 7,000 comments.

An additional outreach measure is OPE's April newsletter, reminding participants to ensure contact and deposit information is up-to-date and consider an account lock for money-out transactions. Mr. Courtney shared a final outreach measure: an educational video that OPE created in response to last year's survey results showing that one in 10 Blended Retirement System (BRS) participants who took a full withdrawal from the TSP did so because they believed this was necessary upon leaving uniformed service.

Mr. Courtney next provided a roadmap update for the adoption of Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 requirements, noting that the TSP is on time to meet all mandatory provisions. Currently OPE is working with the TSP recordkeeper and payroll providers to meet SECURE 2.0's Section 603 requirements, which go into effect on January 1, 2026. Section 603 requires catch-up contributions to be made to a Roth account for participants earning above 145,000 dollars in the prior year. The Agency believes this will affect a relatively small number of participants. OPE is working with payroll offices to gather income data for participants aged 50 and older and will aggregate income amounts for those who have worked at more than one agency in 2025. To make compliance easy for participants, OPE will use the spillover method: if a participant whose income meets this threshold reaches the Internal Revenue Code limit for traditional contributions before the end of the year, their contributions will spill over into Roth catchup contributions. OPE is planning targeted outreach to educate participants about this change.

Finally, Mr. Courtney provided an update on Roth in-plan conversions. Last November, the TSP announced a plan to allow participants to convert traditional TSP assets to Roth starting in January 2026. As part of this offering, active, separated, and spousal beneficiary participants will be able to make Roth in-plan conversions, with a minimum conversion amount of 500 dollars. To support participants during this rollout, OPE will make calculators available on [tsp.gov](https://tsp.gov) to help participants estimate conversion tax consequences. Mr. Courtney will share additional updates on this initiative in the fall.

5. Adjourn.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection, and Vice Chair Sprosta adjourned the meeting for ETAC at approximately 10:28 a.m.

MOTION: That this meeting be adjourned.

On a vote taken by the Chair, the Board members closed the meeting at 10:31 a.m. for executive session.

At 1:41 p.m., upon completion of the executive session, the members reconvened the open portion of the meeting.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Chair Gerber adjourned the meeting at 1:41 p.m.

MOTION: That this meeting be adjourned.

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Dharmesh Vashee  
General Counsel and Secretary

Attachments

1. [ETAC Meeting Minutes November 2024](#)
2. [Participant Activity Report April 2025](#)
3. [Investment Program Review April 2025](#)
4. [FY25 Q2 Metrics Report](#)
5. [Office of Participant Experience Annual Report](#)